

TOWN OF BAY HARBOR ISLANDS, FLORIDA



ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
FOR FISCAL YEAR ENDED  
SEPTEMBER 30, 2022



# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

of the

**TOWN OF BAY HARBOR ISLANDS, FLORIDA**



**For the fiscal year ended September 30, 2022**

**Prepared by the Finance Department**

**Town of Bay Harbor Islands, Florida**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended September 30, 2022**  
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## **INTRODUCTORY SECTION**

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## MAYOR JOSEPH J. GARDNER GOVERNMENT CENTER

9665 Bay Harbor Terrace, Bay Harbor Islands, FL 33154 | Ph: (305) 866-6241

| Fax: (305) 866-4863 | [www.bayharborislands-fl.gov](http://www.bayharborislands-fl.gov)

June 27, 2023

### Town Council

Elizabeth Tricoche  
Mayor

Joshua D. Fuller Vice  
Mayor

Stephanie Bruder  
Council Member

Molly Diallo  
Council Member

Teri D'Amico  
Council Member

Isaac Salver  
Council member

Robert Yaffe  
Council Member

### Town Officials

Maria Lasday  
Town Manager

Yvonne P. Hamilton  
Town Clerk

Joseph S. Geller  
Town Attorney

To the Honorable Mayor Elizabeth Tricoche, Vice Mayor Joshua D. Fuller, members of the Town Council, and citizens of the Town of Bay Harbor Islands:

State law requires that all general-purpose local governments publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with generally accepted auditing standards and government auditing standards by licensed certified public accountants. In addition, Section 31 of the Town Charter requires that qualified public accountants shall make an independent audit of accounts for submission to the Town Council. In fulfillment of these requirements, the Town's Annual Comprehensive Financial Report for the fiscal year ended September 30, 2022, is presented for your consideration and review.

Responsibility for the accuracy and fairness of the presentation, including all disclosures, rests with the Town. We believe the information as presented is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Town, and that all disclosures necessary to enable the reader to gain general understanding of the Town's financial activity have been included. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed both to protect the Town's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town of Bay Harbor Islands' financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

Marcum LLP, a licensed certified public accounting firm, has audited the Town's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Bay Harbor Islands for the fiscal year ended September 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering unmodified opinions that the Town's financial statements for the fiscal year ended September 30, 2022, are fairly presented in accordance with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) is a narrative introduction, overview, and analysis provided by management accompanying the basic financial statements. This letter of transmittal is complementary to the MD&A and should be read in conjunction with it. The Town of Bay Harbor Islands' MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

The Town of Bay Harbor Islands has 5,717 residents according to the latest available estimate in 2022 from the U.S. Census Bureau. Located in northeastern Miami-Dade County, it is comprised of two islands in the Intracoastal Waterway. The Broad Causeway provides access from the Town to the mainland and to the beaches of the barrier island. The Town has a very low crime rate and enjoys moderate subtropical temperatures and weather.

The Town was incorporated in 1947 and operates under a council-manager form of government. The seven-member Town Council establishes policy, enacts legislation, and adopts budgets. The Town provides a full range of services: public safety (police, building and zoning), transportation and the construction and maintenance of roads, infrastructure, and recreation facilities, operation and maintenance of a causeway, water and sewer utilities, sanitation (refuse collection), operation and maintenance of parking facilities, and general government and administrative services. Fire protection, education, and welfare services are provided by units of other local governments whose activities are not included in the accompanying financial statements.

The annual budget serves as the foundation for the Town's financial planning and control. The Town Manager presents a proposed budget to the Town Council, after having reviewed and revised budget requests from all departments. The Council holds two public hearings to receive public comment prior to adopting the final budget and tax millage rate. The budget must be adopted prior to September 30th. The department is the legal level of budgetary control. The Town Council must approve all supplemental appropriations and any transfers of appropriations between departments. Budget-to-actual comparisons are provided for the General Fund in the Required Supplementary Information section following the notes to the financial statements.



### **Information Relevant to an Assessment of Financial Condition**

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the Town of Bay Harbor Islands operates.

The Town has a convenient location within easy driving distance of the cities of Miami, Miami Beach, and Fort Lauderdale, with all their commercial and employment opportunities and cultural, recreational, and other amenities. The Miami and Fort Lauderdale airports, Port Everglades, and the Port of Miami are all easily accessible.

Based on 2022 estimates from the U.S. Census Bureau, the median age for Town residents is 42, and median household income is \$79,824.

Property values had increased for ten years in a row following four consecutive years of decline, and total taxable value had exceeded its 2007 high. However, according to the Miami-Dade County property appraiser, existing property values decreased 0.03% as of January 1, 2022 after the COVID-19 global pandemic. However, redevelopment of older properties is continuing to give a more modern look to the Town and to strengthen the tax base. Continuing improvement in property values and in the economy is expected to have a positive impact on the Town's ability to generate revenues.

### **Long-term Financial Planning**

Redevelopment of commercial and residential properties continues to enhance the Town's tax base, and several significant multi-family projects should be added to the Town's tax rolls for upcoming fiscal years. Sales of transferable development rights needed for development of larger multi-family projects have continued but since those receipts are from the sales of limited assets, they are not budgeted nor used to support ongoing operations.

### **Acknowledgements**

As always, we would like to thank the Mayor, Vice Mayor and members of the Town Council for their support and endorsement of sound accounting, financial management, and financial reporting practices and to express our appreciation to our independent certified public accountants, Marcum LLP, for their cooperation, assistance, and professionalism. We would also like to express our appreciation to everyone on the Finance Department team and TriMerge Consulting Group, P.A. for their dedication and hard work.

Respectfully submitted,



Maria Lasday, Town Manager





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of Bay Harbor Islands  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2021

*Christopher P. Morill*

Executive Director/CEO



# **TOWN OF BAY HARBOR ISLANDS, FLORIDA**

## **TOWN OFFICIALS**

### **COUNCIL-MANAGER FORM OF GOVERNMENT**

AS OF SEPTEMBER 30, 2022

#### **TOWN COUNCIL**

Joshua D. Fuller, Mayor

Elizabeth Tricoche, Vice Mayor

Jordan W. Leonard

Stephanie Bruder

Isaac Salver

Molly Diallo

Robert H. Yaffe

#### **TOWN MANAGER**

Maria Lasday

#### **ASSISTANT TOWN MANAGER**

Jenice Rosado

#### **TOWN CLERK**

Yvonne Hamilton

#### **TOWN ATTORNEY**

Greenspoon Marder LLP

Joseph Geller

#### **TOWN FINANCE DIRECTOR**

Peter Kajokas

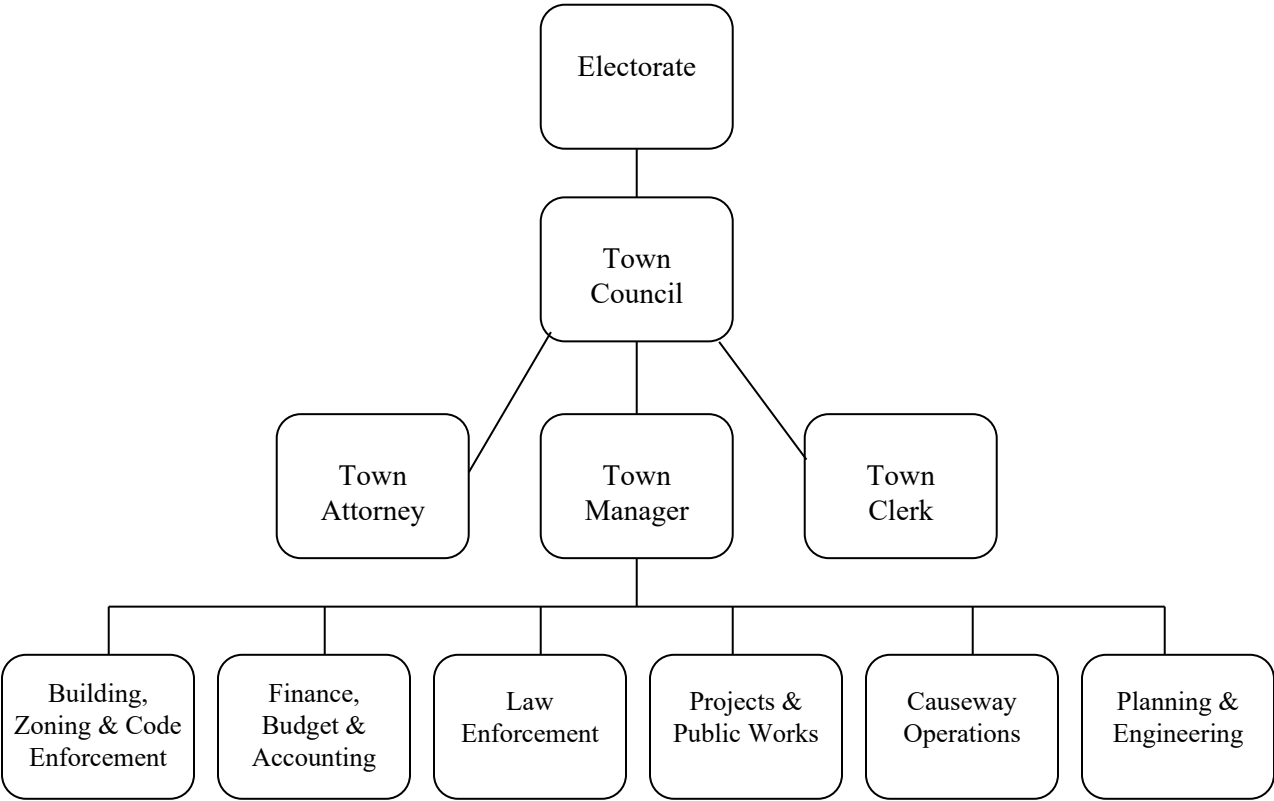
#### **INDEPENDENT AUDITORS**

Marcum LLP



**TOWN OF BAY HARBOR ISLANDS, FLORIDA**

**ORGANIZATIONAL CHART**



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## **FINANCIAL SECTION**

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## **INDEPENDENT AUDITORS' REPORT**

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## **INDEPENDENT AUDITORS' REPORT**

To the Honorable Mayor, Town Council and Town Manager  
**Town of Bay Harbor Islands, Florida**

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bay Harbor Islands, Florida (the "Town"), as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 17, the budgetary comparison schedule on pages 70 and 71, and the required supplementary information for the pensions and OPEB on pages 72 to 74, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2023, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*Marcum LLP*

Miami, FL  
June 27, 2023

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# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **MD&A**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Bay Harbor Islands, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages i - iii of this report.

### Financial Highlights

- The assets plus deferred outflows of the Town of Bay Harbor Islands exceeded its liabilities plus deferred inflows of resources at the close of the most recent fiscal year by \$92,758,506 (net position). Of this amount, \$41,763,625 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$10,172,828.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$16,024,715 an increase of \$3,817,514 in comparison with the prior year. Approximately \$14,709,232 or 91.79% is available in the Town's general fund for spending at the government's discretion (unassigned fund balance). The \$584,474 assigned fund balance of the capital projects fund is intended to provide resources for planned infrastructure capital projects and is not available for general discretionary spending.
- The Town's total debt decreased by \$1,771,301 or 11.29% during the current fiscal year primarily due to scheduled repayment of existing debt.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Bay Harbor Islands' basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

### Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all the Town's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Town of Bay Harbor Islands that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety (law enforcement, building inspections and code enforcement), transportation (street maintenance and bus service), support for the local library, and parks and recreation. The business-type activities of the Town include operation of a causeway and toll facility, as well as sewer, water, parking, solid waste disposal, and stormwater management systems.

The government-wide financial statements can be found on pages 18-19 of this report.

## **Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Bay Harbor Islands, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Bay Harbor Islands can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities*.

The Town of Bay Harbor Islands maintains four governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the capital projects fund (two major funds). There are two new funds that are nonmajor, which represent the park impact fees fund and police forfeiture funds. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.



The Town of Bay Harbor Islands adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget (page 70).

The governmental fund financial statements can be found on pages 20-22 of this report.

***Proprietary Funds.*** The Town of Bay Harbor Islands maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its causeway and toll facility, as well as its sewer, water, parking, solid waste, and stormwater management operations.

The proprietary fund financial statements can be found on pages 23-26 of this report.

***Fiduciary Funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Pension Trust Fund is the Town's only fiduciary fund.

The basic fiduciary fund financial statements can be found on pages 27-28 of this report.

## **Notes to Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-69 of this report.

## **Other Information**

In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information including the budgetary comparison for the general fund, information concerning the Town's contributions to provide pension benefits to its employees, and the funding status of the pension and OPEB plans. Required supplementary information can be found on pages 70-74 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 75-78 of this report.

## **Government-wide Financial Analysis**

### **Net Position**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Bay Harbor Islands, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$92,758,506 at the close of the most recent fiscal year.

## Summary of Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 20,589,970	\$ 15,324,862	\$ 38,668,054	\$ 27,962,795	\$ 59,258,024	\$ 43,287,657
Capital assets	<u>21,276,088</u>	<u>20,669,751</u>	<u>36,616,788</u>	<u>37,761,243</u>	<u>57,892,876</u>	<u>58,430,994</u>
Total assets	<u>41,866,058</u>	<u>35,994,613</u>	<u>75,284,842</u>	<u>65,724,038</u>	<u>117,150,900</u>	<u>101,718,651</u>
 Total deferred outflows	<u>1,134,006</u>	<u>1,211,895</u>	<u>328,184</u>	<u>372,721</u>	<u>1,462,190</u>	<u>1,584,616</u>
 Long-term liabilities	6,472,038	6,453,423	8,716,400	9,957,018	15,188,438	16,410,441
Other liabilities	<u>753,012</u>	<u>813,349</u>	<u>1,594,029</u>	<u>1,561,799</u>	<u>2,347,041</u>	<u>2,375,148</u>
Total liabilities	<u>7,225,050</u>	<u>7,266,772</u>	<u>10,310,429</u>	<u>11,518,817</u>	<u>17,535,479</u>	<u>18,785,589</u>
 Total deferred inflows	<u>1,105,968</u>	<u>1,216,577</u>	<u>7,213,137</u>	<u>715,423</u>	<u>8,319,105</u>	<u>1,932,000</u>
 Net position:						
Net investment in						
capital assets	15,949,213	14,986,615	28,306,127	28,185,137	44,255,340	43,171,752
Restricted	4,555,906	2,455,206	2,183,635	1,331,064	6,739,541	3,786,270
Unrestricted	<u>14,163,927</u>	<u>11,281,338</u>	<u>27,599,698</u>	<u>24,346,318</u>	<u>41,763,625</u>	<u>35,627,656</u>
Total net position	<u>\$ 34,669,046</u>	<u>\$ 28,723,159</u>	<u>\$ 58,089,460</u>	<u>\$ 53,862,519</u>	<u>\$ 92,758,506</u>	<u>\$ 82,585,678</u>

Approximately \$44,255,340, which is 47.7% of the Town's reported net position is composed of its investment in capital assets (e.g., land, building, and equipment) less any related debt and any deferred inflows/outflows used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

As of September 30, 2022, lease receivable amounted \$6,684,518 as a result of the implementation of GASB 87.

Only \$6,739,54, which is 17.3% of the Town's net position is subject to external restrictions on use.

Approximately \$41,763,625, which is 45.0% of the Town's net position may be used to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Bay Harbor Islands is able to report positive balances in all reported categories of net position, for the Town as a whole, as well as for its separate governmental and business-type activities.

## Summary of Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 4,751,899	\$ 1,112,446	\$ 15,521,766	\$ 14,830,198	\$ 20,273,665	\$ 15,942,644
Operating grants and contributi	1,505,556	1,696,222	-	-	1,505,556	1,696,222
Capital grants and contributi	399,937	325,861	-	498,642	399,937	824,503
General revenues:						
Property taxes	4,766,371	4,760,975	-	-	4,766,371	4,760,975
Franchise fees & utility taxes	1,261,731	1,114,039	-	-	1,261,731	1,114,039
Intergovernmental revenue	940,809	785,697	-	-	940,809	785,697
Investment earnings (losses)	(313,408)	(23,607)	(363,910)	(27,109)	(677,318)	(50,716)
Miscellaneous	209,178	80,094	361,763	266,934	570,941	347,028
Total revenues	<u>13,522,073</u>	<u>9,851,727</u>	<u>15,519,619</u>	<u>15,568,665</u>	<u>29,041,692</u>	<u>25,420,392</u>
Expenses:						
General government	2,166,259	1,486,733	-	-	2,166,259	1,486,733
Public safety	4,740,370	4,327,810	-	-	4,740,370	4,327,810
Transportation	1,130,853	1,049,872	-	-	1,130,853	1,049,872
Culture and recreation	1,467,405	1,274,188	-	-	1,467,405	1,274,188
Interest on long-term debt	156,359	162,482	-	-	156,359	162,482
Causeway	-	-	4,713,142	4,023,653	4,713,142	4,023,653
Sewer	-	-	1,797,116	1,773,259	1,797,116	1,773,259
Water	-	-	979,874	1,152,084	979,874	1,152,084
Parking	-	-	641,145	595,505	641,145	595,505
Solid Waste	-	-	841,525	787,885	841,525	787,885
Stormwater	-	-	234,816	224,338	234,816	224,338
Total expenses	<u>9,661,246</u>	<u>8,301,085</u>	<u>9,207,618</u>	<u>8,556,724</u>	<u>18,868,864</u>	<u>16,857,809</u>
Increase in net assets						
before transfers	3,860,827	1,550,642	6,312,001	7,011,941	10,172,828	8,562,583
Transfers	<u>2,085,060</u>	<u>1,833,829</u>	<u>(2,085,060)</u>	<u>(1,833,829)</u>	<u>-</u>	<u>-</u>
Change in net position	5,945,887	3,384,471	4,226,941	5,178,112	10,172,828	8,562,583
Net position, beginning	<u>28,723,159</u>	<u>25,338,688</u>	<u>53,862,519</u>	<u>48,684,407</u>	<u>82,585,678</u>	<u>74,023,095</u>
Net position, ending	<u>\$ 34,669,046</u>	<u>\$ 28,723,159</u>	<u>\$ 58,089,460</u>	<u>\$ 53,862,519</u>	<u>\$ 92,758,506</u>	<u>\$ 82,585,678</u>

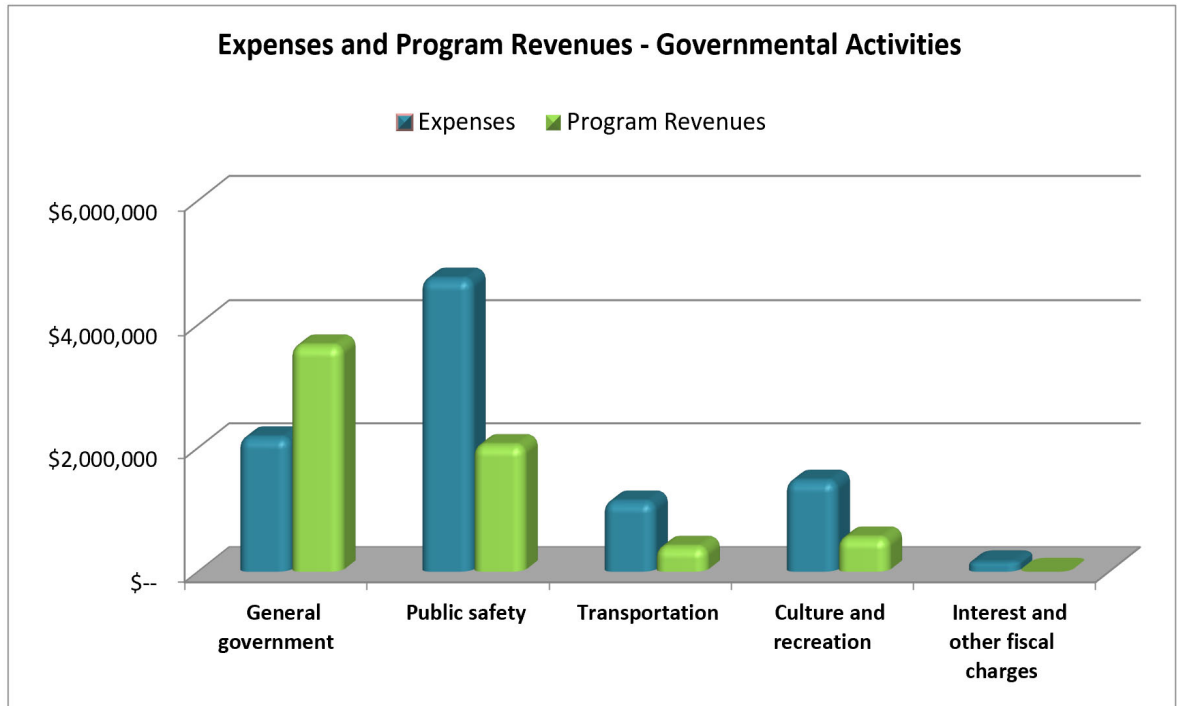
### Governmental Activities

The Town's governmental activities net position increased by \$5,945,887, 20.70% to \$34,669,046 at the end of the year. The increase overall in net position is mainly due to an increase in revenues by more than \$3.7 million.

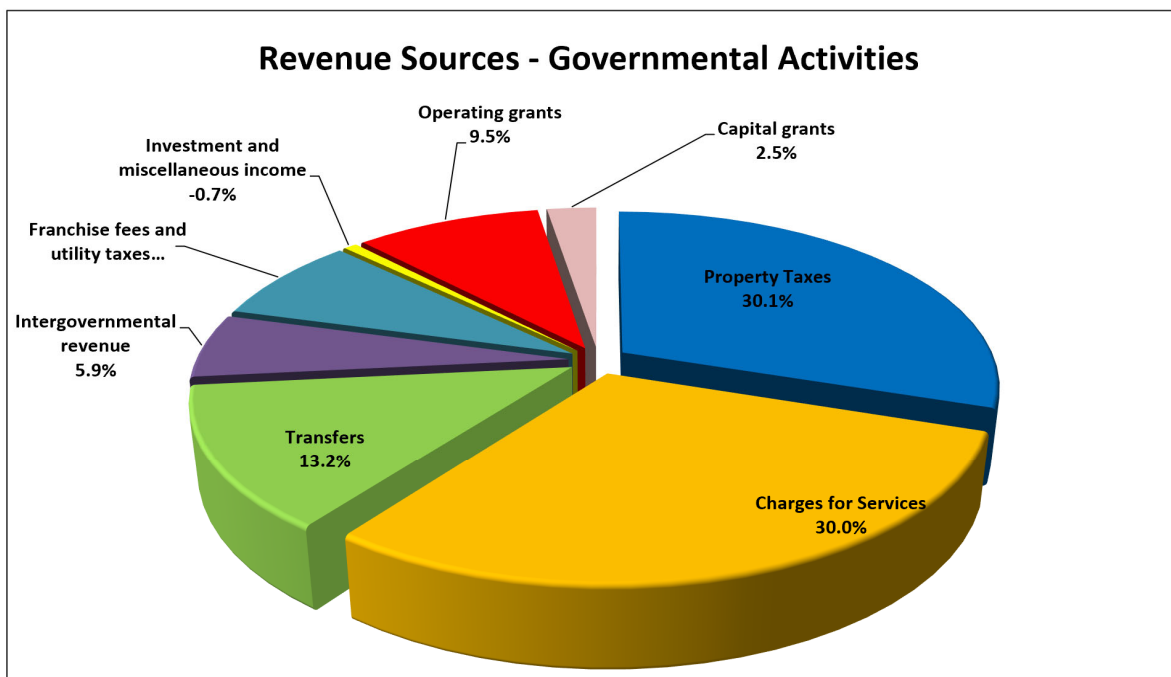
In FY2022, there was an increase in charges for services, franchise fees and utility taxes, intergovernmental revenues, miscellaneous revenues, transfer in and an increase in investment (losses), along with a combination in expenditures within the general government, public safety, transportation, and culture and recreation.

In addition to decreases in operating grants and contributions and reductions in interest on long-term debt. In FY2022, the Town recognized lease revenue of \$319,015.





- Program revenues, comprised of charges for services, operating grants and contributions, and capital grants and contributions, were 42% of total governmental activities revenues (including transfers). In addition, property taxes, which represents 30.1% of total revenues for governmental activities, are non-program specific and are used to fund all activities not covered by program revenues. There are also other revenues that the Town collects that have other uses and restrictions based on the source.

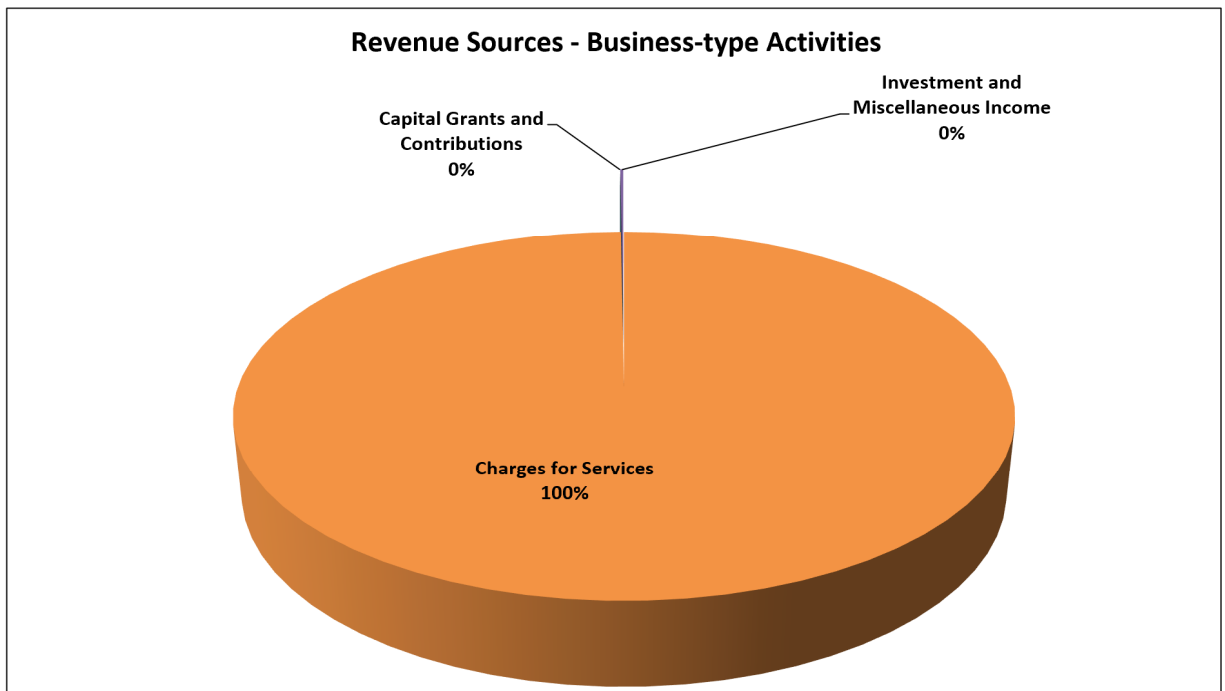
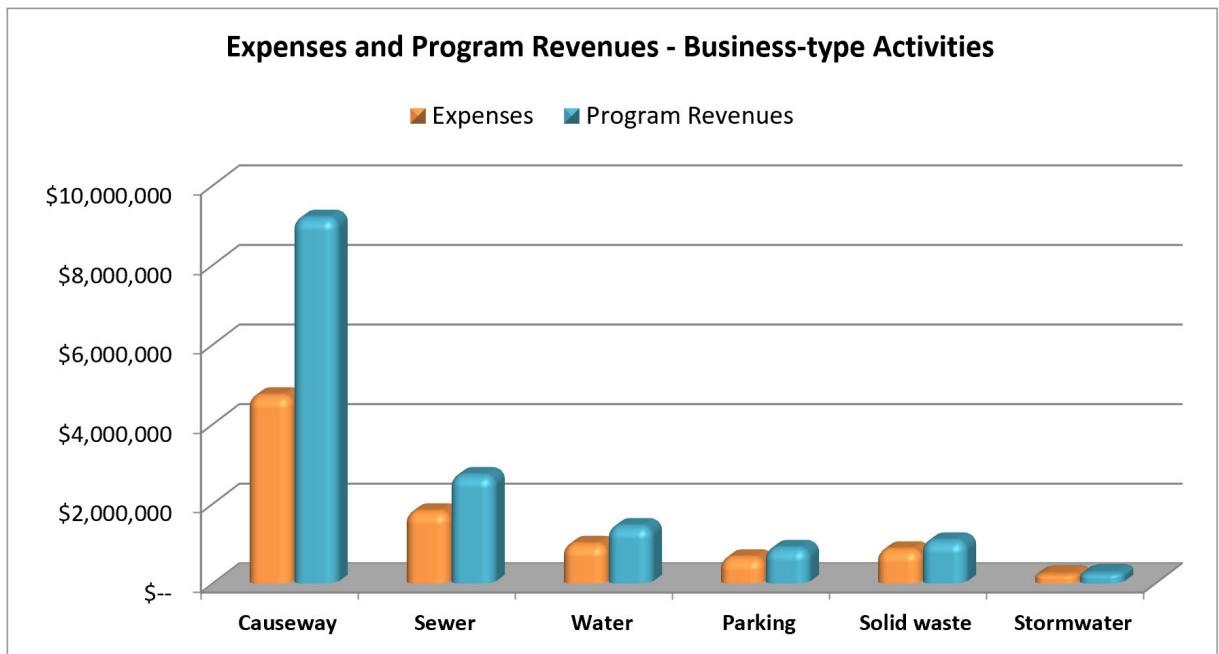


## Business-type Activities

Business-type activities increased the Town of Bay Harbor Islands' net position by \$4,226,941. The causeway, sewer, water, parking, and solid waste funds generated substantial operating income. The solid waste fund operated at a profit for the sixth time since 2013. In 2022, the Town adjusted the solid waste revenues, which also included a build-in CPI adjustment. Net transfers from the Town's business-type activities to its governmental activities increased by about 13.7% to \$2,085,060 over the prior year, including planned transfers to fund debt service on debt related to the community enhancements project.

- Causeway Fund revenues inclusive of capital contributions decreased by (\$3,939) or 0.0% compared to the FY2021, as this was a slight decrease. Expenses increased by \$689,489 or 17.1%, this was to accommodate repairs and maintenance. The change in net position of \$2.7 million increased ending net position compared to the prior year.
- Sewer Fund revenue increased for charges for services by \$249,087 or 10.1% as the sewer rates in FY2022 increased compared to the FY2021 sewer rates. The rate increase was due to increases in City of Miami Beach sewer services rates. The Town passed this increase of sewer service rates to the Town's residents since the Town does not own its own sewer plant. As anticipated Sewer Fund expenses increased by \$23,857 or 1.3% in FY2022 due to increase in City of Miami Beach sewer service rates and inflationary maintenance and operational cost to maintain required Level of Service (LOS). Overall, this increased ending net position by \$401,076 over the prior year.
- Water Fund revenue increased by \$106,365 or about 8.1% which is attributed to Town increasing water service rates to offset Miami-Dade County increase in water service rates to the Town. The Town of Bay Harbor Islands does not currently have an alternative source to purchase water and to maintain proper fiscal discipline had to pass-through the County's increase in water rates to its residents. Water Fund expenditures also decreased by (\$172,210) or about (15%) compared to the FY2021.
- Parking Fund revenues increased by \$129,444 or 17.3% due to increase in parking permit sales, meter collections, and parking fines. Parking Fund expenses increased by \$45,640 or 7.7% compared to the FY2021. Parking Fund expenditures are difficult to lower since Parking Garage bonds are fixed and not easily conducive to the cost control measures that might be available to control other costs. Overall, the increase in charges for services and rental income impacted ending net position with an increase of \$446,014 over the prior year.
- Solid Waste Fund revenues increased by \$170,926 or 19.1% due to the Town increasing solid waste collection fees to its residents in FY2022. The Town's solid waste contractor has increased solid waste collection fees allowed contractually and based on Consumer Price Index (CPI) increase. Since the Town does not own its own fleet of waste collection vehicles, accordingly, to maintain the proper fiscal discipline, the Town passed the increase in solid waste collection fees to its residents. As expected, Solid Waste Fund expenses increased by \$53,640 or 6.8% which is attributed to the solid waste contractor increased solid waste collection fees and increased operational costs in Solid Waste Fund. Overall, the fund ended positively with an increase to ending net position over the prior year by \$224,669.

- Stormwater Fund revenues increased by \$39,685 or 17.7%, which is attributed to the slight increase in Town's resident and business population. Stormwater Fund expenses increased by \$10,478 or 4.7% compared to the FY2021.





## **Financial Analysis of the Government's Funds**

As noted earlier, the Town of Bay Harbor Islands uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental Funds**

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town of Bay Harbor Islands' governmental funds reported combined ending fund balance of \$16,024,715 an increase of \$3,817,514 in comparison with the prior year. Increased revenues were the net result of a slightly higher property tax receipts, and higher utility taxes receipts, franchise fees receipts, intergovernmental receipts, charges for services, licenses and permits, grants and miscellaneous revenues, offset by losses in investment earnings. Total transfers from the Town's proprietary funds increased by 13.7% to \$2,085,060 over the prior year to the government funds. General fund expenditures increased, with the bulk of the increase due to increased general government, public safety, culture and recreation and capital outlays spending.

The General Fund experienced increased capital outlay, general government and culture and recreation expenditures as a result of an increase in spending after reductions in spending as a result of the pandemic from FY2020 and FY2021, more cost was incurred for engagement and project spend in FY2022. Total governmental fund balance is \$16,024,715, of which, 92.63% or \$14,843,419, is assigned to the general fund. In addition, the general fund unassigned fund balance is \$14,709,232, without restrictions and is available for spending at the Town's discretion. The remainder of fund balance is either non-spendable to indicate that it is not available for new spending because it is associated with inventories \$13,124, or prepaid items \$8,446, restricted for specific uses by law enforcement agreement \$47,892, restricted for debt service \$64,725 or is assigned such as the fund balance of the capital projects fund intended to fund capital projects \$584,474.

### *General Fund*

The general fund is the main operating fund of the Town of Bay Harbor Islands. At the end of the current fiscal year, unassigned fund balance of the general fund was \$14,709,232 while total fund balance was \$14,843,419. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total general fund balance to total general fund expenditures. Unassigned fund balance represents 125.28% of total general fund expenditures, while total general fund balance represents 126.42% of total general fund expenditures.

Fund balance of the Town of Bay Harbor Islands' general fund increased by \$2.8 million during the current fiscal year. Increase in property tax values, a healthier economy after the pandemic allowed the Town to realize surplus in general fund revenues of more than 36.9% combined over the prior, while expenditures only increased by 16.5% for general fund expenditures, this is net increase of 20.40% and a positive impact to the fund balance for the general fund.

The amount of General Fund revenues by type, each revenue line presented as a percentage of total revenues and the amount of change compared to last fiscal year are shown in the following schedule:

	2022	% of	2021	% of	Increase/ (Decrease)	% of Increase/ (Decrease)
	<u>Amount</u>	<u>Total</u>	<u>Amount</u>	<u>Total</u>	<u>from 2021</u>	<u>(Decrease)</u>
Revenues:						
Property taxes	\$ 4,766,371	35.4%	\$ 4,760,975	48.4%	\$ 5,396	0.1%
Utility taxes	572,296	4.3%	547,547	5.6%	24,749	4.5%
Communications		0.0%		0.0%		
services taxes	174,894	1.3%	165,492	1.7%	9,402	5.7%
Franchise fees	466,503	3.5%	401,000	4.1%	65,503	16.3%
Licenses and permits	3,663,084	27.2%	898,314	9.1%	2,764,770	307.8%
Intergovernmental	1,340,320	10.0%	1,100,016	11.2%	240,304	21.8%
Transfer development fees	2,000	0.0%	-	0.0%	2,000	
Charges for services	550,348	4.1%	163,901	1.7%	386,447	235.8%
Fines and forfeitures	536,467	4.0%	50,231	0.5%	486,236	968.0%
Investment earnings (losses)	(313,408)	-2.3%	(23,607)	-0.2%	(289,801)	1227.6%
Grants	1,505,556	11.2%	1,696,222	17.2%	(190,666)	-11.2%
Miscellaneous	209,178	1.6%	80,094	0.8%	129,084	161.2%
Total revenues	<u>\$ 13,473,609</u>	<u>100.0%</u>	<u>\$ 9,840,185</u>	<u>100.0%</u>	<u>\$ 3,633,424</u>	<u>36.9%</u>

- Property tax revenue collections were slightly higher compared to FY2021 due to conditions in real estate market and the Town reducing the FY2022 millage rate to 3.1728% compared to 3.590% as of FY2021.
- Utility tax revenues remitted from County and State were slightly higher compared to FY2021 due to higher consumption of utilities by residents.
- Licenses and permits increased 307.8% compared to the FY2021, this was a significant increase to the Town's revenues; the construction and remodeling permits that were submitted in FY2020 or prior years have been issued in FY2022.
- Grants decreased by (11.2%) compared to the FY2021.

Expenditures in the General Fund are shown in the following schedule:

<b>General Fund Expenditure</b>						
	2022	% of	2021	% of	Increase/ (Decrease)	% of Increase/ (Decrease)
	<u>Amount</u>	<u>Total</u>	<u>Amount</u>	<u>Total</u>	<u>from 2021</u>	<u>(Decrease)</u>
Expenditures						
General government	2,278,502	19.3%	1,891,677	19%	386,825	20.4%
Public safety	5,812,541	49.5%	5,609,588	56%	202,953	3.6%
Transportation	648,935	5.5%	574,748	6%	74,187	12.9%
Culture and recreation	1,210,266	10.3%	1,000,662	10%	209,604	20.9%
Capital outlay	1,211,091	10.3%	494,522	5%	716,569	144.9%
Debt service	580,207	4.9%	507,334	5%	72,873	14.4%
Total expenditures	<u>11,741,542</u>	<u>100%</u>	<u>10,078,531</u>	<u>100%</u>	<u>1,663,011</u>	<u>16.5%</u>

The General Fund expenditures increased as a result of improvements in the economy after the COVID-19 pandemic, and additional spend in operations. There were increases in Culture and Recreation which was attributed to some social gatherings and scheduled Town events being conducted to encourage community. Capital outlay within the general fund increased by 144.9% compared to the FY2021 to invest in the Town's infrastructure.

### **General Fund Budgetary Highlights**

For total General Fund revenues, there was a favorable budget variance of \$3,294,949, due to greater than anticipated property tax receipts, utility taxes, franchise fees, licenses and permits, intergovernmental receipts, charges for services, grants revenues and miscellaneous receipts offset by lower than anticipated communications service tax, fines and forfeitures receipts, and investment earnings.

Total expenditures were \$2,610,181 less than budgeted due to unspent appropriations for General Government, Public Buildings, Public Safety, Transportation and Culture and Recreation.

### **Proprietary Funds**

Statements for the Town's proprietary funds provide the same type of information found in the business-type activities sections of the government-wide financial statements but in more detail. As noted above in the discussion of business-type activities, all of the Town's major enterprise funds generated income before transfers besides Stormwater Fund.

For the proprietary funds as a whole, net position increased by \$4,226,941.



## Capital Assets and Debt Administration

### Capital Assets

The Town of Bay Harbor Islands' investment in capital assets for its governmental and business- type activities as of September 30, 2022, amounts to \$57,892,876 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements other than buildings, furniture, fixtures and equipment, causeway system, toll collection system, water system, sewer system, as well as parking garage. Capital assets do not include governmental infrastructure assets prior to 2004, as GASB 34 did not require Phase III governments to report infrastructure retroactively. In addition, the Town implemented GASB 87 to account and report leases in accordance with the accounting standards, see note 8, page 55. The Town's net investment in capital assets for the current fiscal year decreased by \$1,040,784 over the prior year.

Additions to capital assets for governmental activities before depreciation and net of transfers from construction in progress were \$1,240,252, with no disposals, for net additions of \$1,240,252.

Business-type activities' capital asset additions before depreciation and net of transfers from construction in progress totaled \$1,079,292, with no disposals, for net additions of \$1,079,292.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2022	2021	2022	2021	2022	2021
Capital assets, net of depreciation						
Land	\$ 3,806,254	\$ 3,806,254	\$ 671,273	\$ 671,273	\$ 4,477,527	\$ 4,477,527
Construction in progress	74,628	455,340	294,268	366,512	368,896	821,852
Buildings	1,990,307	2,126,288	-	-	1,990,307	2,126,288
Improvements other than buildings	14,502,723	13,866,096	22,929,974	23,503,509	37,432,697	37,369,605
Furniture, fixtures and equipment	570,744	415,773	321,365	476,609	892,109	892,382
Leases (right-of-use asset)	331,432	402,339	70,661	100,317	402,093	502,656
Toll collection system	-	-	387,185	580,778	387,185	580,778
Sewer system	-	-	3,422,498	3,405,138	3,422,498	3,405,138
Water system	-	-	955,620	989,517	955,620	989,517
Parking garage	-	-	7,563,944	7,767,917	7,563,944	7,767,917
Total	<u>\$21,276,088</u>	<u>\$21,072,090</u>	<u>\$36,616,788</u>	<u>\$37,861,570</u>	<u>\$57,892,876</u>	<u>\$58,933,660</u>

\* FY2021 was adjusted to record the amount related to the implementation of GASB 87 and provide comparison information.

Additional information on the Town's capital assets can be found in note 7 on pages 50-51 of this report.

## Long-Term Debt

At the end of the current fiscal year, the Town of Bay Harbor Islands had long-term debt outstanding of \$13,911,296, which incorporates the reporting of lease liabilities in accordance with GASB 87 implementation by the Town.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2022	2021	2022	2021	2022	2021
Refunding Note, Series 2012	\$ 2,147,000	\$ 2,481,000	\$ -	\$ -	\$ 2,147,000	\$ 2,481,000
Revenue Bonds, Series 2016	3,131,113	3,148,941			3,131,113	3,148,941
Causeway Promissory Note, 2012	-	-	6,167,000	7,108,000	6,167,000	7,108,000
Parking Refunding Note, 2012	-	-	2,073,000	2,442,000	2,073,000	2,442,000
State Revolving Loan	-	-	-	-	-	-
Leases (right-of-use asset)	322,360	402,339	70,823	100,317	393,183	502,656
Total	<u>\$ 5,600,473</u>	<u>\$ 6,032,280</u>	<u>\$ 8,310,823</u>	<u>\$ 9,650,317</u>	<u>\$ 13,911,296</u>	<u>\$ 15,682,597</u>

*\* FY2021 was adjusted to record the amount related to the implementation of GASB 87 and provide comparison information.*

The Town of Bay Harbor Islands' total debt decreased by \$1,771,301 primarily as a result of scheduled repayments and refunding activity for debt services, this is the primary factor for the change and reduction of debt. Additional information on the Town's long-term debt can be found in note 8 on pages 51-56 of this report.

## Economic Factors and Next Year's Budgets and Rates

The following are major considerations included in the preparation of the Town of Bay Harbor Islands' budget for the FY2023 fiscal year.

- The Town's millage was reduced from 3.5900 in FY2022 to 3.1728 in FY2023, which is equal to the rolled-back rate of 3.1728. The Town's taxable property values increased by 18.8% over the prior year.
- Sewer charges that are based upon water usage will have a rate increase in FY2023, at a rate of eight dollars and eighty cents to offset Miami-Dade County increase of its water and City of Miami Beach increase in its surcharge.

## Requests for Information

This financial report is designed to provide a general overview of the Town of Bay Harbor Islands' finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Manager, Town of Bay Harbor Islands, 9665 Bay Harbor Terrace, Bay Harbor Islands, Florida 33154.

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## **BASIC FINANCIAL STATEMENTS**

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# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## STATEMENT OF NET POSITION SEPTEMBER 30, 2022

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash	\$ 11,949,818	\$ 25,565,904	\$ 37,515,722
Investments	2,918,196	3,404,347	6,322,543
Receivables, net	266,098	1,077,681	1,343,779
Internal balances	1,020,827	(1,020,827)	--
Due from employees	120,580	--	120,580
Due from other governments	203,027	232,470	435,497
Leases receivable	--	6,684,518	6,684,518
Inventory	13,124	50,717	63,841
Prepaid items	8,446	3,292	11,738
Restricted assets:			
Cash	243,387	486,317	729,704
Capital assets not being depreciated	3,880,882	965,541	4,846,423
Capital assets being depreciated/amortized, net	17,395,206	35,651,247	53,046,453
Net pension asset	3,846,467	2,183,635	6,030,102
<b>Total assets</b>	<b>41,866,058</b>	<b>75,284,842</b>	<b>117,150,900</b>
<b>Deferred outflows of resources</b>			
Pension	1,134,894	314,660	1,449,554
OPEB	(888)	13,524	12,636
<b>Total deferred outflows of resources</b>	<b>1,134,006</b>	<b>328,184</b>	<b>1,462,190</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	550,260	667,372	1,217,632
Due to other governments	--	243,659	243,659
Unearned revenue	63,902	196,681	260,583
Customer deposits	138,850	486,317	625,167
Noncurrent liabilities:			
Due within one year			
Notes payable	349,000	--	349,000
Compensated absences	74,527	29,467	103,994
Leases (right-of-use asset)	105,895	29,602	135,497
Due in more than one year			
Notes payable	4,929,113	8,240,000	13,169,113
Compensated absences	670,745	265,212	935,957
Leases (right-of-use asset)	216,465	41,221	257,686
Total OPEB liability	126,293	110,898	237,191
<b>Total liabilities</b>	<b>7,225,050</b>	<b>10,310,429</b>	<b>17,535,479</b>
<b>Deferred inflows of resources</b>			
Leases	--	6,580,015	6,580,015
Parking trust receipts	--	156,827	156,827
Deferred gain on bond refunding	48,762	--	48,762
Pension	1,019,545	452,212	1,471,757
OPEB	37,661	24,083	61,744
<b>Total deferred inflows of resources</b>	<b>1,105,968</b>	<b>7,213,137</b>	<b>8,319,105</b>
<b>Net position</b>			
Net investment in capital assets	15,949,213	28,306,127	44,255,340
Restricted for:			
Law enforcement	92,045	--	92,045
Debt service	64,725	--	64,725
Park impact	552,669	--	552,669
Net pension asset	3,846,467	2,183,635	6,030,102
Unrestricted	14,163,927	27,599,698	41,763,625
<b>Total net position</b>	<b>\$ 34,669,046</b>	<b>\$ 58,089,460</b>	<b>\$ 92,758,506</b>

See notes to basic financial statements.

**TOWN OF BAY HARBOR ISLANDS, FLORIDA**

**STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
<b>Governmental activities</b>							
General government	\$ 2,166,259	\$ 3,665,129	\$ --	\$ --	\$ 1,498,870	\$ --	\$ 1,498,870
Public safety	4,740,370	536,467	1,505,556	--	(2,698,347)	--	(2,698,347)
Transportation	1,130,853	--	--	399,937	(730,916)	--	(730,916)
Culture and recreation	1,467,405	550,303	--	--	(917,102)	--	(917,102)
Interest and other fiscal charges	156,359	--	--	--	(156,359)	--	(156,359)
<b>Total governmental activities</b>	<b>9,661,246</b>	<b>4,751,899</b>	<b>1,505,556</b>	<b>399,937</b>	<b>(3,003,854)</b>	<b>--</b>	<b>(3,003,854)</b>
<b>Business-type activities</b>							
Causeway	4,713,142	9,177,878	--	--	--	4,464,736	4,464,736
Sewer	1,797,116	2,709,892	--	--	--	912,776	912,776
Water	979,874	1,427,004	--	--	--	447,130	447,130
Parking	641,145	877,458	--	--	--	236,313	236,313
Solid waste	841,525	1,066,194	--	--	--	224,669	224,669
Stormwater	234,816	263,340	--	--	--	28,524	28,524
<b>Total business-type activities</b>	<b>9,207,618</b>	<b>15,521,766</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>6,314,148</b>	<b>6,314,148</b>
<b>Total</b>	<b>\$ 18,868,864</b>	<b>\$ 20,273,665</b>	<b>\$ 1,505,556</b>	<b>\$ 399,937</b>	<b>(3,003,854)</b>	<b>6,314,148</b>	<b>3,310,294</b>
<b>General revenues</b>							
Property taxes					4,766,371	--	4,766,371
Franchise fees based on gross receipts					466,503	--	466,503
Utility taxes					572,296	--	572,296
Communications services tax					174,894	--	174,894
Impact fees					48,038	--	48,038
Unrestricted intergovernmental revenue					940,809	--	940,809
Unrestricted investment losses					(313,408)	(363,910)	(677,318)
Miscellaneous					209,178	361,763	570,941
<b>Net transfers</b>					<b>2,085,060</b>	<b>(2,085,060)</b>	<b>--</b>
Total general revenues and transfers					<b>8,949,741</b>	<b>(2,087,207)</b>	<b>6,862,534</b>
<b>Change in net position</b>					<b>5,945,887</b>	<b>4,226,941</b>	<b>10,172,828</b>
<b>Net position - Beginning</b>					<b>28,723,159</b>	<b>53,862,519</b>	<b>82,585,678</b>
<b>Net Position - Ending</b>					<b>\$ 34,669,046</b>	<b>\$ 58,089,460</b>	<b>\$ 92,758,506</b>

*See notes to basic financial statements.*

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## BALANCE SHEET GOVERNMENTAL FUNDS SEPTEMBER 30, 2022

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash	\$ 10,583,933	\$ 788,490	\$ 577,395	\$ 11,949,818
Investments	2,918,196	--	--	2,918,196
Receivables, net	250,667	--	--	250,667
Interest receivable	15,431	--	--	15,431
Due from other funds	1,299,403	--	31,058	1,330,461
Due from employees	120,580	--	--	120,580
Due from other governments	203,027	--	--	203,027
Inventory	13,124	--	--	13,124
Prepaid items	8,446	--	--	8,446
Restricted cash	243,387	--	--	243,387
<b>Total assets</b>	<b>\$ 15,656,194</b>	<b>\$ 788,490</b>	<b>\$ 608,453</b>	<b>\$ 17,053,137</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 473,506	\$ --	\$ 7,500	\$ 481,006
Due to other funds	101,487	204,016	4,131	309,634
Unearned revenue	63,902	--	--	63,902
Customer deposits	138,850	--	--	138,850
<b>Total liabilities</b>	<b>777,745</b>	<b>204,016</b>	<b>11,631</b>	<b>993,392</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue	35,030	--	--	35,030
<b>Fund balances</b>				
Non-spendable:				
Inventory	13,124	--	--	13,124
Prepaid items	8,446	--	--	8,446
Restricted:				
Law enforcement	47,892	--	44,153	92,045
Debt Service	64,725	--	--	64,725
Park Impact	--	--	552,669	552,669
Assigned:				
Capital projects fund	--	584,474	--	584,474
Unassigned	14,709,232	--	--	14,709,232
<b>Total fund balances</b>	<b>14,843,419</b>	<b>584,474</b>	<b>596,822</b>	<b>16,024,715</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 15,656,194</b>	<b>\$ 788,490</b>	<b>\$ 608,453</b>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	21,276,088
Net pension assets are not considered to represent financial assets and, therefore, are not reported in the funds	3,846,467
Deferred outflows and inflows of resources related to pensions are recorded in the statement of net position	115,349
Deferred outflows and inflows of resources related to OPEB are recorded in the statement of net position	(38,549)
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenue in the governmental funds financial statements	35,030
Deferred inflows of resources related to deferred charges on refunding of revenue bonds	(48,762)
Accrued interest related to long-term debt is recorded in the statement of net position	(69,254)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds (see Note 2)	(6,472,038)
<b>Net position of governmental activities</b>	<b>\$ 34,669,046</b>

See notes to basic financial statements.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property taxes	\$ 4,766,371	\$ --	\$ --	\$ 4,766,371
Utility taxes	572,296	--	--	572,296
Communications services tax	174,894	--	--	174,894
Franchise fees	466,503	--	--	466,503
Licenses and permits	3,663,084	--	--	3,663,084
Intergovernmental	1,340,320	--	--	1,340,320
Transfer development right fees	2,000	--	--	2,000
Impact fees	--	--	48,038	48,038
Charges for services	550,348	--	--	550,348
Fines and forfeitures	536,467	--	--	536,467
Investment losses	(313,408)	--	--	(313,408)
Grants	1,505,556	--	--	1,505,556
Miscellaneous	209,178	--	--	209,178
<b>Total revenues</b>	<b>13,473,609</b>	<b>--</b>	<b>48,038</b>	<b>13,521,647</b>
<b>Expenditures</b>				
Current:				
General government	2,278,502	--	--	2,278,502
Public safety	5,812,541	1,402	10,068	5,824,011
Transportation	648,935	--	--	648,935
Culture and recreation	1,210,266	--	--	1,210,266
Capital outlay	1,211,091	408,771	22,730	1,642,592
Debt service:				
Principal payments	417,482	6,497	--	423,979
Interest and other fiscal charges	162,725	522	--	163,247
<b>Total expenditures</b>	<b>11,741,542</b>	<b>417,192</b>	<b>32,798</b>	<b>12,191,532</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>1,732,067</b>	<b>(417,192)</b>	<b>15,240</b>	<b>1,330,115</b>
<b>Other financing sources (uses)</b>				
Leases (right-of-use asset) acquired	189,163	213,176	--	402,339
Transfers out	(1,508,382)	--	--	(1,508,382)
Transfers in	2,384,060	627,800	581,582	3,593,442
<b>Total other financing sources</b>	<b>1,064,841</b>	<b>840,976</b>	<b>581,582</b>	<b>2,487,399</b>
<b>Net change in fund balances</b>	<b>2,796,908</b>	<b>423,784</b>	<b>596,822</b>	<b>3,817,514</b>
<b>Fund balances - beginning</b>	<b>12,046,511</b>	<b>160,690</b>	<b>--</b>	<b>12,207,201</b>
<b>Fund balances - ending</b>	<b>\$ 14,843,419</b>	<b>\$ 584,474</b>	<b>\$ 596,822</b>	<b>\$ 16,024,715</b>

*See notes to basic financial statements.*



## TOWN OF BAY HARBOR ISLANDS, FLORIDA

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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Amounts reported for governmental activities in the statement of activities  
are different because:

Net change in fund balances - total governmental funds (Page 21) \$ 3,817,514

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which depreciation/amortization exceeded capital outlays in the current period.

The details of the difference are as follows:

Capital outlay	\$ 1,642,592	
Depreciation/amortization expense	<u>(1,036,254)</u>	606,338

Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

The details of the difference are as follows:

Leases (right-of-use asset) acquired	(402,339)	
Leases (right-of-use asset) principal payments	79,979	
Revenue bonds principal payment	344,000	
Amortization of gain on bond refunding	4,433	
Amortization of bond premium	<u>7,828</u>	33,901

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

The details of the difference are as follows:

Accrued interest payable	2,455	
Compensated absences payable	(69,873)	
Net pension asset and related deferred outflows and inflows of resources	1,558,706	
Total OPEB liability and related deferred outflows and inflows of resources	<u>(3,580)</u>	1,487,708

Net effect of revenues reported in the statement of activities are not reported in the funds because they have no effect on current financial resources.

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Change in net position of governmental activities (Page 19) \$ 5,945,887

*See notes to basic financial statements.*

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## STATEMENT OF NET POSITION PROPRIETARY FUNDS SEPTEMBER 30, 2022

	Business-type Activities - Enterprise Funds						Total
	Causeway	Sewer	Water	Parking	Solid Waste	Stormwater (a Nonmajor Fund)	
<b>Assets</b>							
Current assets:							
Cash	\$ 19,161,009	\$ 2,184,372	\$ 2,676,135	\$ 658,027	\$ 886,361	\$ --	\$ 25,565,904
Investments	1,647,363	--	1,756,984	--	--	--	3,404,347
Lease receivables	106,244	--	--	6,578,274	--	--	6,684,518
Receivables, net	--	--	898,732	149,608	--	--	1,048,340
Interest receivable	8,702	--	9,292	11,347	--	--	29,341
Due from other funds	69,578	510,749	7,026	61,095	123,015	1,733,142	2,504,605
Due from other governments	232,470	--	--	--	--	--	232,470
Inventory	--	--	50,717	--	--	--	50,717
Prepaid items	3,292	--	--	--	--	--	3,292
Restricted assets:							
Cash	10,652	230,958	169,522	--	75,185	--	486,317
<b>Total current assets</b>	<b>21,239,310</b>	<b>2,926,079</b>	<b>5,568,408</b>	<b>7,458,351</b>	<b>1,084,561</b>	<b>1,733,142</b>	<b>40,009,851</b>
Noncurrent assets							
Capital assets not being depreciated	294,267	--	--	671,274	--	--	965,541
Capital assets being depreciated/amortized, net	22,521,838	3,521,702	1,077,308	7,701,875	--	828,524	35,651,247
Net pension asset	1,414,528	252,104	303,969	164,249	--	48,785	2,183,635
<b>Total noncurrent assets</b>	<b>24,230,633</b>	<b>3,773,806</b>	<b>1,381,277</b>	<b>8,537,398</b>	<b>--</b>	<b>877,309</b>	<b>38,800,423</b>
<b>Total assets</b>	<b>45,469,943</b>	<b>6,699,885</b>	<b>6,949,685</b>	<b>15,995,749</b>	<b>1,084,561</b>	<b>2,610,451</b>	<b>78,810,274</b>
<b>Deferred outflows of resources</b>							
Pension	173,499	56,204	50,417	26,024	--	8,516	314,660
OPEB	7,380	1,605	3,368	1,034	--	137	13,524
<b>Total deferred outflows of resources</b>	<b>180,879</b>	<b>57,809</b>	<b>53,785</b>	<b>27,058</b>	<b>--</b>	<b>8,653</b>	<b>328,184</b>
<b>Liabilities</b>							
Current liabilities:							
Accounts payable and accrued liabilities	247,155	270,780	45,169	20,543	79,136	4,589	667,372
Due to other funds	3,368	61,368	2,383,830	3,435	1,322	1,072,109	3,525,432
Due to other governments	--	--	243,659	--	--	--	243,659
Unearned revenue	196,681	--	--	--	--	--	196,681
Customer deposits (payable from restricted cash)	10,652	230,958	169,522	--	75,185	--	486,317
Current portion of lease liability	24,724	--	--	4,878	--	--	29,602
Current portion of compensated absences	19,296	2,975	4,663	2,210	--	323	29,467
<b>Total current liabilities</b>	<b>501,876</b>	<b>566,081</b>	<b>2,846,843</b>	<b>31,066</b>	<b>155,643</b>	<b>1,077,021</b>	<b>5,178,530</b>
Noncurrent liabilities:							
Lease liabilities	27,626	--	--	13,595	--	--	41,221
Notes payable	6,167,000	--	--	2,073,000	--	--	8,240,000
Total OPEB liability	67,516	14,267	18,845	9,021	--	1,249	110,898
Compensated absences	173,666	26,771	41,971	19,893	--	2,911	265,212
<b>Total noncurrent liabilities</b>	<b>6,435,808</b>	<b>41,038</b>	<b>60,816</b>	<b>2,115,509</b>	<b>--</b>	<b>4,160</b>	<b>8,657,331</b>
<b>Total liabilities</b>	<b>6,937,684</b>	<b>607,119</b>	<b>2,907,659</b>	<b>2,146,575</b>	<b>155,643</b>	<b>1,081,181</b>	<b>13,835,861</b>
<b>Deferred inflows of resources</b>							
Parking trust receipts	--	--	--	156,827	--	--	156,827
Pension	271,360	64,539	67,747	33,841	--	14,725	452,212
OPEB	15,860	2,871	3,469	1,485	--	398	24,083
Leases	84,696	--	--	6,495,319	--	--	6,580,015
<b>Total deferred inflows of resources</b>	<b>371,916</b>	<b>67,410</b>	<b>71,216</b>	<b>6,687,472</b>	<b>--</b>	<b>15,123</b>	<b>7,213,137</b>
<b>Net position</b>							
Net investment in capital assets	16,596,862	3,521,702	1,077,308	6,281,731	--	828,524	28,306,127
Restricted for pension	1,414,528	252,104	303,969	164,249	--	48,785	2,183,635
Unrestricted	20,329,832	2,309,359	2,643,318	742,780	928,918	645,491	27,599,698
<b>Total net position</b>	<b>\$ 38,341,222</b>	<b>\$ 6,083,165</b>	<b>\$ 4,024,595</b>	<b>\$ 7,188,760</b>	<b>\$ 928,918</b>	<b>\$ 1,522,800</b>	<b>\$ 58,089,460</b>

See notes to basic financial statements.

**TOWN OF BAY HARBOR ISLANDS, FLORIDA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Business-type Activities - Enterprise Funds						Total
	Causeway	Sewer	Water	Parking	Solid Waste	Stormwater (a Nonmajor Fund)	
Operating revenues							
Charges for services	\$ 9,177,878	\$ 2,709,892	\$ 1,427,004	\$ 877,458	\$ 1,066,194	\$ 263,340	\$ 15,521,766
Miscellaneous revenue	--	13,300	29,178	270	--	--	42,748
<b>Total operating revenues</b>	<b>9,177,878</b>	<b>2,723,192</b>	<b>1,456,182</b>	<b>877,728</b>	<b>1,066,194</b>	<b>263,340</b>	<b>15,564,514</b>
Operating expenses							
Operation and maintenance	2,802,465	1,574,734	910,961	330,821	840,087	191,225	6,650,293
Depreciation and amortization	1,730,552	222,382	68,913	257,197	1,438	43,591	2,324,073
<b>Total operating expenses</b>	<b>4,533,017</b>	<b>1,797,116</b>	<b>979,874</b>	<b>588,018</b>	<b>841,525</b>	<b>234,816</b>	<b>8,974,366</b>
<b>Operating income</b>	<b>4,644,861</b>	<b>926,076</b>	<b>476,308</b>	<b>289,710</b>	<b>224,669</b>	<b>28,524</b>	<b>6,590,148</b>
Nonoperating revenues (expenses)							
Investment loss	(176,291)	--	(187,619)	--	--	--	(363,910)
Rental income	109,584	--	--	209,431	--	--	319,015
Grant revenues	--	--	--	--	--	--	--
Gain (loss) on disposal of capital assets	--	--	--	--	--	--	--
Interest expense and other debt costs	(180,125)	--	--	(53,127)	--	--	(233,252)
<b>Total nonoperating revenues (expenses)</b>	<b>(246,832)</b>	<b>--</b>	<b>(187,619)</b>	<b>156,304</b>	<b>--</b>	<b>--</b>	<b>(278,147)</b>
<b>Income before transfers</b>	<b>4,398,029</b>	<b>926,076</b>	<b>288,689</b>	<b>446,014</b>	<b>224,669</b>	<b>28,524</b>	<b>6,312,001</b>
Transfers in	--	--	--	--	--	299,000	299,000
Transfers out	(1,659,060)	(525,000)	(200,000)	--	--	--	(2,384,060)
<b>Change in net position</b>	<b>2,738,969</b>	<b>401,076</b>	<b>88,689</b>	<b>446,014</b>	<b>224,669</b>	<b>327,524</b>	<b>4,226,941</b>
<b>Net position - beginning</b>	<b>35,602,253</b>	<b>5,682,089</b>	<b>3,935,906</b>	<b>6,742,746</b>	<b>704,249</b>	<b>1,195,276</b>	<b>53,862,519</b>
<b>Net position - ending</b>	<b>\$ 38,341,222</b>	<b>\$ 6,083,165</b>	<b>\$ 4,024,595</b>	<b>\$ 7,188,760</b>	<b>\$ 928,918</b>	<b>\$ 1,522,800</b>	<b>\$ 58,089,460</b>

*See notes to basic financial statements.*

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## STATEMENT OF CASH FLOWS

### PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Business-type Activities - Enterprise Funds						Total
	Causeway	Sewer	Water	Parking	Solid Waste	Stormwater (a Nonmajor Fund)	
<b>Cash flows from operating activities</b>							
Cash received from customers	\$ 9,229,485	\$ 2,798,734	\$ 1,285,788	\$ 903,941	\$ 1,062,132	\$ 263,340	\$ 15,543,420
Cash received from other operations	--	13,300	--	--	--	--	13,300
Cash payments to employees for services	(1,642,541)	(362,912)	(267,870)	(145,037)	--	(39,572)	(2,457,932)
Cash payments to suppliers for goods and services	(1,660,621)	(1,106,058)	(788,995)	(351,645)	(828,822)	(205,018)	(4,941,159)
Payments from (to) other funds	(1,892,498)	(100,293)	11,684	(387,274)	(59,033)	(34,979)	(2,462,393)
<b>Net cash provided (used) by operating activities</b>	4,033,825	1,242,771	240,607	19,985	174,277	(16,229)	5,695,236
<b>Cash flows from noncapital financing activities</b>							
Transfers from other funds	--	--	--	--	--	299,000	299,000
Transfers to other funds	(1,659,060)	(525,000)	(200,000)	--	--	--	(2,384,060)
<b>Net cash provided (used) by noncapital financing activities</b>	(1,659,060)	(525,000)	(200,000)	--	--	299,000	(2,085,060)
<b>Cash flows from capital and related financing activities</b>							
Acquisition of capital assets	(601,157)	(195,373)	--	--	--	(282,771)	(1,079,301)
Principal paid on leases	(24,636)	--	--	(4,858)	--	--	(29,494)
Principal paid on capital debt	(941,000)	--	--	(369,000)	--	--	(1,310,000)
Interest paid on leases	(293)	--	--	(136)	--	--	(429)
Interest paid on capital debt	(179,832)	--	--	(52,991)	--	--	(232,823)
<b>Net cash provided (used) by capital and related financing activities</b>	(1,746,918)	(195,373)	--	(426,985)	--	(282,771)	(2,652,047)
<b>Cash flows from investing activities</b>							
Sales and maturities of investments	553,682	--	598,996	--	--	--	1,152,678
Purchases of investments	(592,432)	--	(637,145)	--	--	--	(1,229,577)
Rental income received	109,584	--	--	209,431	--	--	319,015
Investment earnings received	27,647	--	29,454	--	--	--	57,101
<b>Net cash provided (used) by investing activities</b>	98,481	--	(8,695)	209,431	--	--	299,217
<b>Net increase (decrease) in cash</b>	726,328	522,398	31,912	(197,569)	174,277	--	1,257,346
<b>Cash - beginning (including restricted cash)</b>	18,445,333	1,892,932	2,813,745	855,596	787,269	--	24,794,875
<b>Cash - ending (including restricted cash)</b>	\$ 19,171,661	\$ 2,415,330	\$ 2,845,657	\$ 658,027	\$ 961,546	\$ --	\$ 26,052,221

(Continued)

See notes to basic financial statements.

**TOWN OF BAY HARBOR ISLANDS, FLORIDA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (Continued)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Business-type Activities - Enterprise Funds						Total
	Causeway	Sewer	Water	Parking	Solid Waste	Stormwater (a Nonmajor Fund)	
<b>Reconciliation of cash to the statement of net position</b>							
Cash	\$ 19,161,009	\$ 2,184,372	\$ 2,676,135	\$ 658,027	\$ 886,361	\$ --	\$ 25,565,904
Restricted cash	10,652	230,958	169,522	--	75,185	--	486,317
	<u>\$ 19,171,661</u>	<u>\$ 2,415,330</u>	<u>\$ 2,845,657</u>	<u>\$ 658,027</u>	<u>\$ 961,546</u>	<u>\$ --</u>	<u>\$ 26,052,221</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>							
Operating income	\$ 4,644,861	\$ 926,076	\$ 476,308	\$ 289,710	\$ 224,669	\$ 28,524	\$ 6,590,148
<b>Adjustments to reconcile operating income to net cash provided (used) by operating activities</b>							
Depreciation and amortization	1,730,552	222,382	68,913	257,197	1,438	43,591	2,324,073
Changes in assets, liabilities and deferred inflows/outflows:							
(Increase) decrease in:							
Receivables	17,454	--	(148,760)	19,394	--	--	(111,912)
Lease receivable	80,088	--	--	276	--	--	80,364
Interest receivable	--	--	--	3,306	--	--	3,306
Due from other funds	(10,128)	109,682	(7,026)	(61,041)	72,384	(562,338)	(458,467)
Due from other governments	21,363	--	--	--	--	--	21,363
Inventory	--	--	(9,724)	--	--	--	(9,724)
Prepaid items	222,927	--	6,737	--	--	--	229,664
Net pension asset	(558,601)	(101,356)	(112,400)	(67,635)	--	(12,579)	(852,571)
Deferred outflows - OPEB	4,866	762	740	378	--	89	6,835
Deferred outflows - pension	24,702	4,480	4,969	2,994	--	557	37,702
Increase (decrease) in:							
Accounts payable and accrued liabilities	(53,033)	210,378	(33,132)	16,780	11,265	(40,511)	111,747
Due to other governments	--	--	17,768	--	--	--	17,768
Due to other funds	(1,892,498)	(100,293)	(6,084)	(326,233)	(131,417)	527,359	(1,929,166)
Customer deposits	1	(20,840)	(14,608)	--	(4,062)	--	(39,509)
Parking trust receipts	--	--	--	(22,699)	--	--	(22,699)
Total OPEB liability	(9,408)	(1,473)	(1,431)	(730)	--	(172)	(13,214)
Compensated absences	8,662	120	6,393	(3,548)	--	146	11,773
Deferred inflows - OPEB	6,088	--	--	--	--	--	6,088
Deferred inflows - pension	(44,659)	(7,147)	(8,056)	(4,933)	--	(895)	(65,690)
Deferred inflows - leases receivable	(101,636)	--	--	(83,231)	--	--	(184,867)
Unearned revenues	(57,776)	--	--	--	--	--	(57,776)
Total adjustments	(611,036)	316,695	(235,701)	(269,725)	(50,392)	(44,753)	(894,912)
<b>Net cash provided (used) by operating activities</b>	<u>\$ 4,033,825</u>	<u>\$ 1,242,771</u>	<u>\$ 240,607</u>	<u>\$ 19,985</u>	<u>\$ 174,277</u>	<u>\$ (16,229)</u>	<u>\$ 5,695,236</u>
<b>Noncash investing and financing activities</b>							
Lease (right-of-use asset) initiation	\$ 76,986	\$ --	\$ --	\$ 23,331	\$ --	\$ --	\$ 100,317
Decrease in fair value of investments	(200,890)	--	(213,127)	--	--	--	(414,017)
<b>Total noncash investing and financing activities</b>	<u>\$ (123,904)</u>	<u>\$ --</u>	<u>\$ (213,127)</u>	<u>\$ 23,331</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (313,700)</u>

*See notes to basic financial statements.*



# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## STATEMENT OF FIDUCIARY NET POSITION

### PENSION TRUST FUND

SEPTEMBER 30, 2022

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#### Assets

Cash	\$ 540,723
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#### Investments

Money market funds	94,256
U.S. treasuries and government obligations	4,663,251
Corporate bonds	1,874,402
Common stock and equity funds	1,805,827
Commingled trust fund	9,235,490
Real estate fund	4,002,982

<b>Total investments</b>	<u>21,676,208</u>
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#### Receivables

Contributions receivable	122,808
Due from broker for investments sold	201,747
Accrued interest and dividends	37,385

<b>Total receivables</b>	<u>361,940</u>
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Prepaid expenses	<u>5,290</u>
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<b>Total assets</b>	<u>22,584,161</u>
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#### Liabilities and Net Position

Accounts payable	<u>16,098</u>
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<b>Total liabilities</b>	<u>16,098</u>
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<b>Net Position Restricted for Pension Benefits</b>	<u><u>\$ 22,568,063</u></u>
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*See notes to basic financial statements.*

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION TRUST FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### Additions

#### Contributions

Town (including state)	\$ 937,084
Employees	<u>418,944</u>

<b>Total Contributions</b>	<u>1,356,028</u>
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#### Investment Income (Loss)

Net depreciation in fair value of investments	(3,558,996)
Interest	210,916
Dividends	<u>69,988</u>
	(3,278,092)
Less investment expense	<u>(37,470)</u>

<b>Net Investment Income (Loss)</b>	<u>(3,315,562)</u>
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<b>Total Additions</b>	<u>(1,959,534)</u>
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#### Deductions

Benefits paid and refunds	878,945
Administrative expenses	<u>71,614</u>

<b>Total Deductions</b>	<u>950,559</u>
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<b>Change in Net Position</b>	(2,910,093)
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#### Net Position Restricted for Pension Benefits

Beginning of year	<u>25,478,156</u>
End of year	<u><u>\$ 22,568,063</u></u>

*See notes to basic financial statements.*

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## **NOTES TO BASIC FINANCIAL STATEMENTS**

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# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Bay Harbor Islands, Florida, (the Town) is a municipal corporation which was incorporated in 1947 and adopted its first charter June 15, 1953, under the provisions of the Laws of Florida Acts of 1953, Chapter 2889. The Town operates under a “Council-Manager” form of government with the Town’s Mayor serving as the head of the Town government and the Town’s Manager serving as the chief administrative official.

The Town provides the following services: public safety (police), building and zoning, transportation and maintenance of roads and streets, recreation facilities, operation and maintenance of a causeway, water and sewer utilities, physical environment (refuse collection), parking facilities, and general government and administrative services. Fire protection, education, and welfare services are provided by units of other local governments whose activities are not included in the accompanying financial statements.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town’s accounting policies are described below:

#### ***A. FINANCIAL REPORTING ENTITY***

The financial statements were prepared in accordance with GASB Statements related to *The Financial Reporting Entity*, which establishes standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the Town, organizations for which the Town is financially accountable, and other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The Town is financially accountable for a component unit if it appoints a voting majority of the organization’s governing board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Town or has operational responsibility. Based upon the application of these criteria, there were no organizations that met the criteria described above.

#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)***

*Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The Town reports two nonmajor governmental funds (the Park Impact Fund and Police Forfeiture Fund) and one nonmajor proprietary fund (the Stormwater Fund).

#### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION***

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.



# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)***

Property taxes, franchise fees and other taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Revenues for expenditure driven grants are recognized when the qualifying expenditures are incurred. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Capital Projects Fund* accounts for the acquisition or construction of various major capital projects.

The Town's special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. The Town reports the following governmental nonmajor special revenue funds:

The *Park Impact Fees Fund* accounts for the fees that are collected in order to pay for the capital costs to construct, expand or improve public park facilities which are necessary to accommodate land development in the Town.

The *Police Forfeitures Fund* accounts for revenue from lawful seizures of property associated with criminal activities.

The Town reports the following major proprietary funds:

The *Causeway Fund* accounts for the collection of tolls and the operation and maintenance of the causeway, including the bascule bridge over the Intercoastal Waterway and the entire traffic corridor.

The *Sewer Fund* accounts for the provision of sewer services to Town residents and businesses.

The *Water Fund* accounts for the distribution of water to Town residents and businesses.

The *Parking Fund* accounts for the collection of parking fees, parking trust arrangements, and the operation and maintenance of lots and meters.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)***

The *Solid Waste Fund* accounts for the provision of solid waste disposal services to Town residents and businesses.

The Town reports the following nonmajor proprietary fund:

The *Stormwater Fund* accounts for the provision of a stormwater management system.

Additionally, the Town reports the following fund type:

The *Pension Trust Fund* is used to account for the Town of Bay Harbor Islands Employee Retirement System (the Plan), a single-employer defined benefit pension plan covering substantially all of its employees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Town's various utility functions and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's funds are charges to customers for services. Operating expenses for enterprise funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### ***D. IMPLEMENTATION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS***

During the year ended September 30, 2022, the Town implemented GASB Statement No. 87, *Leases*, GASB Statement No. 92, *Omnibus 2020*, GASB Statement No. 93, *Replacement of Interbank Offered Rates* and GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***D. IMPLEMENTATION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS (CONTINUED)***

The Town adopted GASB Statement No. 87, *Leases* (GASB 87) effective October 1, 2021, which provides a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. No restatement of fund balances or net position was necessary for the Town, as the new standard was applied prospectively. In accordance with the guidance provided in GASB 87, all lease assets, receivables, liabilities, and deferred inflows were measured and recorded using the facts and circumstances as of the date of implementation.

The implementation of GASB Statements No. 92, 93, and 97 had no significant impact on the Town's financial statements for the fiscal year ended September 30, 2022.

#### ***E. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY***

##### **1. Deposits and Investments**

The Town's cash includes cash on hand, and time/demand deposits. Investments of the Town are carried at fair value. For more details regarding the methods used to measure fair value of investments, refer to the fair value hierarchy in Note 3.

Investments of the Town are governed by the provisions of Florida Statutes Section 218.415. Investments in the Town's retirement plan are governed by the Plan's investment policy and Florida Statutes Section 112.661.

##### **2. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

##### **3. Capital Assets**

Capital assets, which include property, plant and equipment, infrastructure assets (e.g., utility plant, roads, bridges, sidewalks, and similar items), and intangible assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***E. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (CONTINUED)***

with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The Town has not retroactively reported infrastructure assets acquired prior to the implementation of GASB Statement No. 34. The Town did not retroactively record their intangible assets with the implementation of GASB Statement No. 51, with the exception of computer software which was capitalized when purchased. The Town's capitalization threshold for intangible assets is \$25,000.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the Town are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	25-50
Improvements other than buildings	5-10
Furniture, fixtures and equipment	5
Utility system	10-50

#### **4. Leases (Right-of-use Asset)**

The leases (right-of-use asset) are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The leases (right-of-use asset) are amortized on a straight-line basis over the life of the related lease agreement.

#### **5. Lease Receivable**

The Town's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the inception of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *E. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (CONTINUED)*

##### **6. Compensated Absences**

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Upon separation from service, employees are paid the value of their accumulated vacation, plus one half the value of unused sick leave up to 90 days. All vacation and sick leave pay are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements. Compensated absences of governmental funds are typically liquidated from the general fund.

##### **7. Long-Term Obligations**

In the government-wide financial statements, and the proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond issue costs are expensed as incurred. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line amortization method. The results of using this method do not differ significantly from the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as another financing source. Premiums received on debt issuances are reported as another financing source while discounts on debt issuances are reported as another financing use. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

##### **8. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports within its government-wide statement of net position as deferred outflows amounts contributed during fiscal year 2022 into the Town of Bay Harbor Islands Employees' Retirement System. The net



# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***E. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (CONTINUED)***

pension asset associated with the Plan was measured as of September 30, 2021. The amounts paid during fiscal year 2022 to the Plan will be reflected within the Town's pension expense and related asset when the net pension asset is measured for the next fiscal year.

Also, within the government-wide statement of net position, the Town reports as deferred inflows or outflows, amounts representing the net difference between or differences between expected and actual results, changes in assumptions and projected and actual earnings of its pension plan and other post-employment benefits (OPEB). Differences between projected and actual earnings will be amortized over a five-year closed period beginning in the year in which the difference occurred and are presented as a net deferred inflow or outflow at the measurement date. All other amounts are presented as either a deferred inflow or outflow established at their respective measurement date when the difference occurred and is amortized over the remaining service lives of employees.

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town's deferred inflows are related to its leases, pension obligations, OPEB liabilities, deferred parking trust receipts and deferred gain on bond refunding. These amounts are deferred and recognized as an inflow of resources in the period that they are earned. Within the governmental funds balance sheet, the Town reports deferred inflows related to unavailable revenues that qualify for reporting in this category. The governmental funds report this item as a deferred inflow until the criteria for revenue recognition has been met.

### **9. Fund Equity**

The Town reports the following classifications:

*Nonspendable fund balance.* Nonspendable fund balances are amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted fund balance.* Restricted fund balances are amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***E. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (CONTINUED)***

*Committed fund balance.* These amounts can only be used for the specific purposes determined by a formal action (Ordinance) of the Town Council, the Town's highest level of decision making authority. Commitments may be changed or lifted only by the Town Council taking the same formal action (Ordinance) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

*Assigned fund balance.* Assigned fund balances are amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Intent is established by the Town Manager to which the Town Council has delegated the authority to assign, modify or rescind amounts to be used for specific purposes. This balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted, or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose as assigned by management. Specific amounts that are not restricted or committed in the Capital Projects Fund are assigned for the purposes in accordance with the nature of its fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the fund itself.

*Unassigned fund balance.* This fund balance is the residual classification only for the General Fund. It is also used to report only negative fund balances in other governmental funds.

#### **10. Net Position**

Net position of the government-wide and proprietary funds is categorized as net investment in capital assets; restricted or unrestricted. Net investment in capital assets is that portion of net position that relates to the Town's capital assets reduced by accumulated depreciation and amortization and by any outstanding debt and deferred inflows or outflows, incurred to acquire, construct or improve those assets, excluding unexpended proceeds.

Restricted net position is that portion of net position that has been restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of all net position that does not meet the definition of either of the other two components.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *E. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (CONTINUED)*

##### **11. Flow Assumptions**

###### ***Net Position Flow Assumption***

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

###### ***Fund Balance Flow Assumption***

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

##### **12. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets/deferred outflows and liabilities/deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. These estimates include assessing the collectability of receivables, the fair value of investments, and useful lives and possible impairment of tangible assets, among others. Estimates and assumptions are reviewed periodically and the revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from those estimates.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. The details of the \$6,472,038 difference are as follows:

Bonds payable	\$ 5,192,000
Premium on bonds payable	86,113
Compensated absences	745,272
Leases (right-of-use asset)	322,360
Total OPEB liability	<u>126,293</u>
	<u>\$ 6,472,038</u>

### NOTE 3 - DEPOSITS AND INVESTMENTS

#### ***DEPOSITS***

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Deposits include cash on hand. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized.

#### ***INVESTMENTS***

The Town's investment policy follows the requirements of Florida Statutes Chapter 218.415, and attempts to promote, in order of priority, safety of principal, adequate liquidity, and maximization of total return. The Town's investment policy authorizes investments in obligations of the U.S. Treasury, U.S. Government Agency securities, including FNMA, FHLMC, and GNMA, and securities guaranteed by these Agency issues, certificates of deposit, savings certificates, time deposits, banker's acceptances, repurchase agreements of domestic commercial banks and savings and loan associations fully collateralized with U.S. Government or Agency securities, commercial paper rated A1/P1 or the equivalent by a major rating service, money market funds exclusively comprised of the above securities, the State of Florida Local Government Surplus Funds Trust Fund, the FMIvT, and corporate bonds rated A or better. The investment policy defined in the statutes attempts to promote,

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

#### *INVESTMENTS (CONTINUED)*

through state assistance, the maximization of net interest earnings on invested surplus funds of local units of governments while limiting the risk to which the funds are exposed. The Town maintains a separate investment policy for its pension plan.

For the Town's pension plan, a Master Custodian Agreement is maintained whereby the investment securities are held in the Plan's name by a financial institution acting as the Plan's agent except for its shares in domestic equity index funds and a core real estate fund.

#### *FAIR VALUE HIERARCHY*

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Town and the Town's pension plan categorizes their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 - Investments' fair values based on prices quoted in active markets for identical assets at the measurement date.

Level 2 - Investments' fair values based on observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.

Level 3 - Investments' fair values based upon unobservable inputs.

#### *INVESTMENTS – TOWN*

The Town's investment policy limits the maturity of fixed-income holdings to ten years. As of September 30, 2022, the Town had the following investments and its corresponding maturities in its portfolio:

Investments	Investment Maturities (In Years)			
	Fair Value	Less than 1	1-5	6-10
U.S. treasuries	\$ 3,653,163	\$ --	\$ 2,867,901	\$ 785,262
Local government bonds	162,052	29,248	97,740	35,064
Corporate bonds	2,507,328	253,465	1,573,679	680,184
<b>Total Investments</b>	<b>\$ 6,322,543</b>	<b>\$ 282,713</b>	<b>\$ 4,539,320</b>	<b>\$ 1,500,510</b>



# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

#### *INVESTMENTS – TOWN (CONTINUED)*

##### ***Interest Rate Risk***

Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. The Town's investment policy limits investment maturities to ten years in order to control its exposure to fair value losses arising from increasing interest rates.

##### ***Credit Risk***

State law and the Town's investment policy limits investments in bonds, U.S. treasuries and agency obligations, or other evidences of indebtedness to the top ratings issued by nationally recognized statistical rating organizations of the United States. The Town's corporate bonds and agency bonds were all rated "A" or better under Standard & Poor's ratings and "A" or better under Moody's ratings.

##### ***Concentration of Credit Risk***

The Town's investment policy does not stipulate any limit on the percentage that can be invested in any one issuing company. As of September 30, 2022, the value of each position held in the Town's portfolio comprised less than 5% of the Town's investment assets.

##### ***Fair Value Hierarchy***

The Town has the following recurring fair value measurements as of September 30, 2022:

- U.S. treasury securities of \$3,653,163 are valued using quoted market prices (Level 1 inputs).
- Corporate bonds and local government bonds of \$2,669,380 are valued using a matrix pricing model (evaluated bid price) (Level 2 inputs).

#### ***INVESTMENTS – PENSION PLAN***

The Plan's investment practices are governed by the Florida Statutes and the Plan's adopted investment policy. Florida Statutes and the Plan policy authorize the Board of Trustees to invest in domestic stocks, domestic bonds, international stock, diversified assets, emerging markets and real estate funds. In addition to complying with Plan policy, the Plan applies the "Prudent Person Rule" when executing investment strategies. Investments are made with judgment and care, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income derived.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

### NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

#### *INVESTMENTS – PENSION PLAN (CONTINUED)*

To diversify plan assets so as to minimize the risk associated with dependence on the success on one enterprise, the Board of Trustees employs a multi-manager team approach to investing Plan assets. Asset managers are employed to utilize individual expertise within their assigned area of responsibility. Each manager is governed by individual investment guidelines. The Plan's investment consultant oversees the investment managers and the entire portfolio.

The Plan's asset management structure established by the policy is as follows:

Type	Available Range %	Target
Domestic equity	30%-50%	40%
Domestic bonds (fixed income)	25%-60%	30%
International equity	0%-20%	10%
Real estate	0%-20%	15%
Emerging markets (international equity)	0%-7.5%	5%

As of September 30, 2022, the Plan had the following debt securities and its corresponding maturities in its portfolio:

Investments	Investment Maturities (In Years)				
	Fair Value	Less Than 1	1-5	6-10	Over 10
U.S. treasuries	\$ 3,851,809	\$ --	\$ 310,686	\$ 2,173,963	\$ 1,367,160
U.S. government obligations	811,442	--	--	--	811,442
Corporate bonds	1,874,402	--	265,922	1,608,480	--
	<u>\$ 6,537,653</u>	<u>\$ --</u>	<u>\$ 576,608</u>	<u>\$ 3,782,443</u>	<u>\$ 2,178,602</u>

#### *Rate of Return*

For the fiscal year ended September 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was a negative 13.18%. The money-weighted rate of return expresses investment performance, net of investment manager and consultant expenses adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculation are determined on a monthly basis.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

#### *INVESTMENTS – PENSION PLAN (CONTINUED)*

##### ***Interest Rate Risk***

Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. The Plan does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

##### ***Credit Risk***

State law and the Plan's investment policy limits investments in bonds, stocks, or other evidences of indebtedness to the top ratings issued by nationally recognized statistical rating organizations of the United States. The Plan's investment policy limits fixed income investments to a rating no lower than Baa/BBB or equivalent.

The Plan's corporate bonds and agency bonds were all rated "A" or better under Standard & Poor's ratings and at least "A" under Moody's ratings.

##### ***Concentration of Credit Risk***

The Plan's investment policy prohibits fixed income concentrations greater than 5% in any one issuer with the exception of U.S. government or agency issues. As of September 30, 2022, the value of each position held in the Plan's portfolio comprised less than 5% of fiduciary net position.

##### ***Fair Value Hierarchy***

The following is a description of the fair value techniques for the Town's pension plan investments.

The Plan holds money market funds, which are reported at amortized cost.

Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. This includes common stock, American depository receipts (ADR), and exchange traded funds (ETF).

Debt securities are valued using quoted market prices (Level 1) or using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity (Level 2).

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

### NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

#### *INVESTMENTS – PENSION PLAN (CONTINUED)*

##### *Fair Value Hierarchy (continued)*

The following is a summary of the fair value hierarchy of the fair value of investments as of September 30, 2022:

	Fair Value Measurements Using		
	9/30/2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
<b>Investments by Fair Value Level</b>			
Debt securities			
U.S. treasuries	\$ 3,851,809	\$ 3,851,809	\$ --
U.S. government obligations and corporate bonds	<u>2,685,844</u>	<u>--</u>	<u>2,685,844</u>
<b>Total Debt Securities</b>	<u>6,537,653</u>	<u>3,851,809</u>	<u>2,685,844</u>
<b>Equity Securities</b>			
Common stock, ADR's, and ETF's	<u>1,805,827</u>	<u>1,805,827</u>	<u>--</u>
<b>Total Equity Securities</b>	<u>1,805,827</u>	<u>1,805,827</u>	<u>--</u>
<b>Total Investments at Fair Value</b>	<u>8,343,480</u>	<u>\$ 5,657,636</u>	<u>\$ 2,685,844</u>
<b>Investments Measured at Net Asset Value (NAV)</b>			
Commingled trust fund	9,235,490		
Core real estate fund	<u>4,002,982</u>		
Total investments measured at NAV	<u>13,238,472</u>		
Money market funds (exempt)	<u>94,256</u>		
Total investments	<u>\$ 21,676,208</u>		

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

#### *INVESTMENTS – PENSION PLAN (CONTINUED)*

##### *Fair Value Hierarchy (continued)*

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient, including their related unfunded commitments and redemption restrictions as of September 30, 2022:

Investments Measured at NAV	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Core real estate fund <sup>(1)</sup>	\$ 4,002,982	\$ --	Quarterly	N/A
Commingled trust fund <sup>(2)</sup>	<u>9,235,490</u>	--	Daily	N/A
<b>Total Investments Measured at NAV</b>	<u><u>\$ 13,238,472</u></u>			

(1) *Real estate fund.* This fund is an open-end core real estate fund with a diversified portfolio of income producing institutional properties throughout the U.S.

(2) *Commingled trust fund.* This fund's investment objectives are to match the return of the S&P 500, S&P Small-Cap 600, and S&P Mid-Cap 400 indexes through investments in substantially all of the stocks contained in those indexes.

##### *Risks and Uncertainties*

The Town and the Plan invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements. The Town and the Plan, through its investment consultant, monitor the investments and the risks associated therewith on a regular basis which the Town and the Plan believes minimizes these risks.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

### NOTE 4 - RECEIVABLES

Receivables as of September 30, 2022 for the Town's individual major funds and fiduciary funds including the allowance for uncollectible accounts, are as follows:

	General	Causeway	Water	Parking	Pension Trust Fund	Total
Customers billed	\$ --	\$ --	\$ 1,023,757	\$ --	\$ --	\$ 1,023,757
Property taxes	16,174	--	--	--	--	16,174
Franchise fees	96,764	--	--	--	--	96,764
Utility taxes	59,832	--	--	--	--	59,832
Rental income	--	15,139	--	--	--	15,139
Interest and dividends	15,431	8,702	9,292	11,347	37,385	82,157
Parking trust receipts	--	--	--	149,608	--	149,608
Lease Receivable	--	91,270	--	14,417,376	--	14,508,646
Due from Employees	120,580	--	--	--	--	120,580
Due from other governments	203,027	232,470	--	--	--	435,497
Due from broker	--	--	--	--	201,747	201,747
Contributions receivable	--	--	--	--	122,808	122,808
Other	77,897	--	--	--	--	77,897
Gross receivables	589,705	347,581	1,033,049	14,578,331	361,940	16,910,606
Less allowance for uncollectable accounts	--	--	(125,025)	--	--	(125,025)
<b>Net Total Receivables</b>	<b>\$ 589,705</b>	<b>\$ 347,581</b>	<b>\$ 908,024</b>	<b>\$ 14,578,331</b>	<b>\$ 361,940</b>	<b>\$ 16,785,581</b>

### *LEASES RECEIVABLE*

On May 4, 2010, the Town, as a lessor, entered into a lease agreement to permit a local fire department to use a parking garage. Effective October 1, 2021, the Town implemented GASB 87. The term of the lease is thirty years with two thirty-year renewal option periods, for which the Town has made determinations as to if those options are reasonably certain to be exercised, and those determinations are reflected in the calculations presented, in accordance with GASB 87. As of September 30, 2022, the lease agreement has approximately 79 years remaining. An initial lease receivable was recorded in the amount of \$6,578,550. As of September 30, 2022, the value of the lease receivable is \$6,578,274. The lessee is required to make annual payments to the Town ranging from approximately \$121,500 to \$264,000 through the term of the lease. The lease agreement has an implicit interest rate of 2.012%. The value of the deferred inflow of resources as of September 30, 2022 was \$6,495,319, and the Town recognized lease revenue of \$209,431 during the fiscal year.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

### NOTE 4 – RECEIVABLES (CONTINUED)

#### *LEASES RECEIVABLE (CONTINUED)*

On August 1, 2008, the Town, as a lessor, entered into a lease agreement to permit for the use of a gas station on the causeway. This lease was extended for an additional six years effective January 4, 2018. Effectively October 1, 2021, the Town implemented GASB 87. As of September 30, 2022, the lease agreement has 12 months remaining. An initial lease receivable was recorded in the amount of \$186,332. As of September 30, 2022, the value of the lease receivable is \$106,244. The lessee is required to make monthly payments of approximately \$7,600. The lease agreement has an implicit interest rate of 0.396%. The value of the deferred inflow of resources as of September 30, 2022 was \$84,696, and the Town recognized lease revenue of \$109,584 during the fiscal year.

Future principal and interest payment requirements related to the Town's lease receivables at September 30, 2022 are as follows:

	Principal Receipts	Interest Revenue	Total Future Minimum Rent
Fiscal year ending September 30:			
2023	\$ 96,518	\$ 132,611	\$ 229,129
2024	(8,685)	132,631	123,946
2025	(7,611)	132,796	125,185
2026	(6,502)	132,939	126,437
2027	(5,358)	133,059	127,701
2028 - 2032	(8,339)	666,259	657,920
2033 - 2037	26,041	665,440	691,481
2038 - 2042	65,854	660,899	726,753
2043 - 2047	111,768	652,057	763,825
2048 - 2052	164,524	638,264	802,788
2053 - 2057	224,946	618,792	843,738
2058 - 2062	293,952	592,825	886,777
2063 - 2067	372,562	559,450	932,012
2068 - 2072	461,908	517,645	979,553
2073 - 2077	563,250	466,270	1,029,520
2078 - 2082	677,986	404,050	1,082,036
2083 - 2087	807,669	329,562	1,137,231
2088 - 2092	954,023	241,219	1,195,242
2093 - 2097	1,118,961	137,250	1,256,211
2098 - 2101	781,050	25,249	806,299
<b>Total</b>	<b>\$ 6,684,517</b>	<b>\$ 7,839,267</b>	<b>\$ 14,523,784</b>



# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

### NOTE 5 - PROPERTY TAXES

Property values are assessed on a county-wide basis by the Miami-Dade County Property Appraiser as of January 1, the lien date, of each year and are due the following November 1. Taxable value of property within the Town is certified by the Property Appraiser and the Town levies a tax millage rate upon the taxable value, which will provide revenue required for the fiscal year beginning October 1.

Property taxes levied each November 1, by the Town and all other taxing authorities within the County, are centrally billed and collected by Miami-Dade County, with remittances to the Town of their proportionate share of collected taxes. Taxes for the fiscal year beginning October 1 are billed in the month of November, subject to a 1% per month discount for the period November through February, and are due no later than March 31. On April 1, unpaid amounts become delinquent with interest and penalties added thereafter. Beginning June 1, tax certificates representing delinquent taxes with interest and penalties are sold by Miami-Dade County, with remittance to the Town for its share of those receipts. At September 30, 2022, there were no material delinquent taxes.

### NOTE 6 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of September 30, 2022 is as follows:

#### *DUE FROM/TO OTHER FUNDS*

Receivable Fund			Payable Fund							
	General	Capital Projects	Causeway	Sewer	Water	Parking	Solid Waste	Nonmajor Governmental Funds	Nonmajor Enterprise Fund	Total
General	\$ --	\$ 203,276	\$ 3,368	\$ 2,459	\$ 17,307	\$ 145	\$ --	\$ 4,131	\$ 1,068,717	\$ 1,299,403
Causeway	9,388	740	--	52,768	--	3,290	--	--	3,392	69,578
Sewer	--	--	--	--	510,749	--	--	--	--	510,749
Water	--	--	--	5,758	--	--	1,268	--	--	7,026
Parking	61,041	--	--	--	--	--	54	--	--	61,095
Solid waste	--	--	--	383	122,632	--	--	--	--	123,015
Nonmajor:										
Stormwater	--	--	--	--	1,733,142	--	--	--	--	1,733,142
Park Impact	31,058	--	--	--	--	--	--	--	--	31,058
	\$ 101,487	\$ 204,016	\$ 3,368	\$ 61,368	\$ 2,383,830	\$ 3,435	\$ 1,322	\$ 4,131	\$ 1,072,109	\$ 3,835,066

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures/expenses occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 6 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

#### *INTERFUND TRANSFERS*

Transfers during the fiscal year ending September 31, 2022 were as follows:

	Transfers In				
	General Fund	Capital Projects Fund	Stormwater Fund	Park Impact Fund	Police Forfeiture Fund
<b>Transfers Out</b>					
General Fund	\$ --	\$ 627,800	\$ 299,000	\$ 527,361	\$ 54,221
Causeway Fund	1,659,060	--	--	--	--
Water Fund	200,000	--	--	--	--
Sewer Fund	525,000	--	--	--	--
<b>Total Transfers Out</b>	<u>\$ 2,384,060</u>	<u>\$ 627,800</u>	<u>\$ 299,000</u>	<u>\$ 527,361</u>	<u>\$ 54,221</u>

The Town's enterprise funds transfer payments to the General Fund to pay for services provided by General Fund employees such as general management, payroll, human resources, agenda preparation, records retention, and risk management. These administrative services are provided to the enterprise funds to support their operations. Transfers in to the Stormwater Fund are used to move General Fund grant revenues to pay for capital projects associated with this fund. Transfers in to the Capital Projects Fund generally come from surplus revenues from the General fund to fund police department capital projects. Transfers in to special revenue funds are used to move the restricted assets to these funds to comply with requirements of these revenue sources.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

### NOTE 7 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2022 was as follows:

	Beginning Balance (*)	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Capital assets, not being depreciated:				
Land	\$ 3,806,254	\$ --	\$ --	\$ 3,806,254
Construction in progress	455,340	38,105	(418,817)	74,628
<b>Total capital assets, not being depreciated</b>	<b>4,261,594</b>	<b>38,105</b>	<b>(418,817)</b>	<b>3,880,882</b>
<b>Capital assets, being depreciated/amortized</b>				
Buildings	4,520,408	--	--	4,520,408
Improvements other than buildings	21,820,333	1,316,980	--	23,137,313
Furniture, fixtures and equipment	2,554,627	303,984	--	2,858,611
Leases (right-of-use assets)	402,339	--	--	402,339
<b>Total capital assets, being depreciated/amortized</b>	<b>29,297,707</b>	<b>1,620,964</b>	<b>--</b>	<b>30,918,671</b>
<b>Less accumulated depreciation/amortization for:</b>				
Buildings	(2,394,120)	(135,981)	--	(2,530,101)
Improvements other than buildings	(7,954,237)	(680,353)	--	(8,634,590)
Furniture, fixtures and equipment	(2,138,854)	(149,013)	--	(2,287,867)
Leases (right-of-use assets)	--	(70,907)	--	(70,907)
Total accumulated depreciation/amortization	(12,487,211)	(1,036,254)	--	(13,523,465)
Total capital assets, being depreciated/amortized, net	16,810,496	584,710	--	17,395,206
<b>Governmental activities capital assets, net</b>	<b>\$ 21,072,090</b>	<b>\$ 622,815</b>	<b>\$ (418,817)</b>	<b>\$ 21,276,088</b>
<b>Business-type activities</b>				
Capital assets, not being depreciated:				
Land	\$ 671,273	\$ --	\$ --	\$ 671,273
Construction in progress	366,512	294,267	(366,511)	294,268
<b>Total capital assets, not being depreciated</b>	<b>1,037,785</b>	<b>294,267</b>	<b>(366,511)</b>	<b>965,541</b>
<b>Capital assets, being depreciated/amortized</b>				
Causeway system	2,549,328	--	--	2,549,328
Toll collection system	1,935,924	--	--	1,935,924
Sewer system	6,604,742	195,372	--	6,800,114
Water system	2,589,205	--	--	2,589,205
Parking garage	10,198,652	--	--	10,198,652
Improvements other than buildings	39,479,033	956,164	--	40,435,197
Equipment	2,034,138	--	--	2,034,138
Leases (right-of-use assets)	100,317	--	--	100,317
<b>Total capital assets, being depreciated/amortized</b>	<b>65,491,339</b>	<b>1,151,536</b>	<b>--</b>	<b>66,642,875</b>
<b>Less accumulated depreciation/amortization for:</b>				
Causeway system	(2,549,328)	--	--	(2,549,328)
Toll collection system	(1,355,146)	(193,593)	--	(1,548,739)
Sewer system	(3,199,604)	(178,012)	--	(3,377,616)
Water system	(1,599,688)	(33,897)	--	(1,633,585)
Parking garage	(2,430,735)	(203,973)	--	(2,634,708)
Improvements other than buildings	(15,975,524)	(1,529,699)	--	(17,505,223)
Equipment	(1,557,529)	(155,244)	--	(1,712,773)
Leases (right-of-use assets)	--	(29,656)	--	(29,656)
Total accumulated depreciation/amortization	(28,667,554)	(2,324,074)	--	(30,991,628)
Total capital assets, being depreciated/amortized, net	36,823,785	(1,172,538)	--	35,651,247
<b>Business-type activities capital assets, net</b>	<b>\$ 37,861,570</b>	<b>\$ (878,271)</b>	<b>\$ (366,511)</b>	<b>\$ 36,616,788</b>

\*Beginning balance was adjusted to consider proper amounts related to the implementation of GASB 87.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

### NOTE 7 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged as functions/programs as follows:

#### Governmental activities

General government	\$ 167,683
Public safety	102,181
Transportation	509,251
Culture and recreation	<u>257,139</u>

**Total depreciation/amortization expense - governmental activities** \$ 1,036,254

#### Business-type activities

Causeway	\$ 1,730,552
Sewer	222,382
Water	68,913
Parking	257,197
Solid Waste	1,438
Stormwater	<u>43,591</u>

**Total depreciation/amortization expense - business-type activities** \$ 2,324,073

### NOTE 8 - LONG-TERM DEBT

#### GOVERNMENTAL ACTIVITIES

The following is a summary of changes in long-term liabilities of the Town for governmental activities for the fiscal year ended September 30, 2022:

	<u>Beginning Balance (*)</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities</b>					
Bonds payable:					
Refunding Note, Series 2012					
(Direct Borrowing)	\$ 2,481,000	\$ --	\$ (334,000)	\$ 2,147,000	\$ 339,000
Revenue bonds, Series 2016	3,055,000	--	(10,000)	3,045,000	10,000
Add deferred amounts:					
Issuance premium	<u>93,941</u>	<u>--</u>	<u>(7,828)</u>	<u>86,113</u>	<u>--</u>
<b>Total bonds payable</b>	<u>5,629,941</u>	<u>--</u>	<u>(351,828)</u>	<u>5,278,113</u>	<u>349,000</u>
Compensated absences	675,399	562,827	(492,954)	745,272	74,527
Leases (right-of-use asset)	<u>402,339</u>	<u>--</u>	<u>(79,979)</u>	<u>322,360</u>	<u>105,895</u>
<b>Governmental activities long-term liabilities</b>	<u><u>\$ 6,707,679</u></u>	<u><u>\$ 562,827</u></u>	<u><u>\$ (924,761)</u></u>	<u><u>\$ 6,345,745</u></u>	<u><u>\$ 529,422</u></u>

\*Beginning balance was adjusted to consider proper amounts related to the implementation of GASB 87.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 8 - LONG-TERM DEBT (CONTINUED)

#### *GOVERNMENTAL ACTIVITIES (CONTINUED)*

All long-term obligations/liabilities, including pension and OPEB liabilities, of governmental activities are typically liquidated through the General Fund.

#### *REFUNDING AND IMPROVEMENT REVENUE BONDS – SERIES 2016*

On September 29, 2016 the Town issued bonds in the amount of \$3,085,000 to advance refund the Series 2003B bonds. The bonds, including the payment of interest are secured by a pledge by the Town to budget and appropriate an amount from non-ad valorem revenues. As of September 30, 2022, the deferred gain on refunding balance is \$48,762. The total principal and interest remaining on the bonds is \$4,099,800. For the current year, total debt service on the note was \$119,600. The note bears interest at a variable rate between 2% to 5%, with annual principal payments and semi-annual interest payments due through October 1, 2034.

Debt service requirements to maturity are as follows:

	Principal	Interest	Total
Fiscal year ending September 30:			
2023	\$ 10,000	\$ 109,250	\$ 119,250
2024	10,000	108,950	118,950
2025	10,000	108,750	118,750
2026	10,000	108,538	118,538
2027	10,000	108,313	118,313
2028-2032	1,435,000	439,900	1,874,900
2033-2035	<u>1,560,000</u>	<u>71,100</u>	<u>1,631,100</u>
<b>Total</b>	<u>\$ 3,045,000</u>	<u>\$ 1,054,800</u>	<u>\$ 4,099,800</u>

#### *REFUNDING NOTE – SERIES 2012*

On December 3, 2012, the Town borrowed \$4,709,000 [Promissory Refunding Note, Series 2012 (Sales Tax)] from a financial institution as a direct borrowing and used the proceeds to refund a portion (\$4,445,000) of its Revenue Bonds, Series 2003B. There was no deferred amount on refunding. The note, including the payment of interest is secured by a pledge of the Town's half-cent sales tax, franchise fees, and utility taxes. The total principal and interest remaining on the note is \$2,284,470. For the current year, pledged revenues were \$1,652,579 and debt service on the note was \$382,363. The note bears interest at 2.09%, with annual principal payments and semi-annual interest payments due through December 1, 2027.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

### NOTE 8 - LONG-TERM DEBT (CONTINUED)

#### GOVERNMENTAL ACTIVITIES (CONTINUED)

##### REFUNDING NOTE – SERIES 2012 (CONTINUED)

Debt service requirements to maturity for this direct borrowing are as follows:

	Principal	Interest	Total
Fiscal year ending September 30:			
2023	\$ 339,000	\$ 41,330	\$ 380,330
2024	345,000	34,182	379,182
2025	354,000	26,877	380,877
2026	362,000	19,395	381,395
2027	370,000	11,746	381,746
2028	377,000	3,940	380,940
<b>Total</b>	<b>\$ 2,147,000</b>	<b>\$ 137,470</b>	<b>\$ 2,284,470</b>

#### BUSINESS-TYPE ACTIVITIES

The following is a summary of changes in long-term liabilities of the Town for business-type activities for the fiscal year ended September 30, 2022:

	Beginning Balance (*)	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type activities</b>					
Notes and loan payable:					
Broad Causeway Promissory Note, Series 2012 (Direct Borrowing)	\$ 7,108,000	\$ --	\$ (941,000)	\$ 6,167,000	\$ --
Parking Refunding Note, Series 2012 (Direct Borrowing)	2,442,000	--	(369,000)	2,073,000	--
<b>Total notes and loan payable</b>	9,550,000	--	(1,310,000)	8,240,000	--
Compensated absences	282,906	222,540	(210,767)	294,679	29,468
Leases (right-of-use asset)	100,317	--	(29,494)	70,823	29,602
<b>Business-type activities long-term liabilities</b>	<b>\$ 9,933,223</b>	<b>\$ 222,540</b>	<b>\$ (1,550,261)</b>	<b>\$ 8,605,502</b>	<b>\$ 59,070</b>

\*Beginning balance was adjusted to consider proper amounts related to the implementation of GASB 87.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 8 - LONG-TERM DEBT (CONTINUED)

#### *BUSINESS-TYPE ACTIVITIES (CONTINUED)*

##### ***BROAD CAUSEWAY PROMISSORY NOTE, SERIES 2012***

On November 14, 2012, the Town issued the Broad Causeway Promissory Note, Series 2012, as a direct borrowing, in the amount of \$14,642,000 in order to secure funding for a comprehensive rehabilitation of the causeway corridor and bridges to be completed over the next several years, and in order to refund the prior Broad Causeway Revenue Notes Series 2003A and 2003B.

The note, including the payment of interest is secured by the gross revenues from the operation of the Causeway and a pledge by the Town to budget and appropriate an amount from non-ad valorem revenues if needed. The total principal and interest remaining on the note is \$6,724,435. For the current year, pledged revenues were \$9,177,878 and debt service on the note was \$1,120,832. The note bears interest at 2.53%, with annual principal payments and semi-annual interest payments due through December 1, 2028.

Debt service requirements to maturity for this direct borrowing are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ending September 30:			
2023	\$ --	\$ 78,013	\$ 78,013
2024	965,000	143,818	1,108,818
2025	989,000	119,100	1,108,100
2026	1,014,000	93,762	1,107,762
2027	1,040,000	67,779	1,107,779
2028-2029	<u>2,159,000</u>	<u>54,964</u>	<u>2,213,964</u>
<b>Total</b>	<u>\$ 6,167,000</u>	<u>\$ 557,435</u>	<u>\$ 6,724,435</u>

##### ***PARKING PROMISSORY REFUNDING NOTE, SERIES 2012***

On November 14, 2012, the Town issued the Parking Promissory Refunding Note, Series 2012, as a direct borrowing, in the amount of \$4,923,000 in order to refinance the Series 2008 note. The note, including the payment of interest is secured by a pledge by the Town to budget and appropriate an amount from non-ad valorem revenues if needed. The total principal and interest remaining on the note is \$2,209,884. The note bears interest at 2.17%, with annual principal payments and semi-annual interest payments due through December 1, 2027.



# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 8 - LONG-TERM DEBT (CONTINUED)

#### *BUSINESS-TYPE ACTIVITIES (CONTINUED)*

##### *PARKING PROMISSORY REFUNDING NOTE, SERIES 2012 (CONTINUED)*

Debt service requirements to maturity for this direct borrowing are as follows:

	Principal	Interest	Total
Fiscal year ending September 30:			
2023	\$ --	\$ 22,492	\$ 22,492
2024	397,000	40,677	437,677
2025	406,000	31,964	437,964
2026	414,000	23,067	437,067
2027	423,000	13,986	436,986
2028	433,000	4,698	437,698
<b>Total</b>	<u>\$ 2,073,000</u>	<u>\$ 136,884</u>	<u>\$ 2,209,884</u>

The Town's failure to pay the principal or interest on any debt obligation listed above when due or failure to observe and perform any covenant, condition, agreement or provision in any indenture applicable to the Town's various debt obligations, constitutes an event of default for the Town. In the event of a default, lenders may declare all principal and interest to be due immediately. The lender may also seek enforcement of and exercise all remedies available to collect the obligation due under any applicable law.

#### *LEASES (RIGHT-OF-USE ASSET)*

The Town has entered into multiple lease agreements as a lessee. The lease agreements qualify as other than a short-term lease under GASB 87 and therefore; have been recorded at the present value of the future minimum lease payments as of the date of their inception. A summary of the leases by governmental activities and business-type activities is summarized below:

Governmental activities: The Town entered into 20 lease agreements as a Lessee which range in duration from 12 months to 60 months. An initial lease liability was recorded in the amount of \$402,339 as of October 1, 2021. As of September 30, 2022, the value of the lease liability was \$322,360. Principal and interest payments made during the fiscal year totaled \$81,000. Required monthly fixed payments range from approximately \$118 to \$762. The value of the leases (right-to-use assets) as of September 30, 2022 is \$402,339 with accumulated amortization of \$70,907.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

### NOTE 8 - LONG-TERM DEBT (CONTINUED)

#### *LEASES (RIGHT-OF-USE ASSET) (CONTINUED)*

Business-type activities: The Town entered into five lease agreements as a Lessee which range in duration from 12 months to 60 months. An initial lease liability was recorded in the amount of \$100,317 as of October 1, 2021. As of September 30, 2022, the value of the lease liability was \$70,823. Principal and interest payments made during the fiscal year totaled \$29,923. Required monthly fixed payments range from approximately \$452 to \$656. The value of the leases (right-to-use assets) as of September 30, 2022 is \$100,317 with accumulated amortization of \$29,656.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2022, are as follows:

	Governmental Activities		
	Principal	Interest	Total
Fiscal year ending September 30:			
2023	\$ 105,895	\$ 5,027	\$ 110,922
2024	80,384	3,906	84,290
2025	53,877	2,686	56,563
2026	43,532	1,555	45,087
2027	38,672	471	39,143
<b>Total</b>	<u>\$ 322,360</u>	<u>\$ 13,645</u>	<u>\$ 336,005</u>

	Business-Type Activities		
	Principal	Interest	Total
Fiscal year ending September 30:			
2023	\$ 29,602	\$ 5,027	\$ 34,629
2024	26,215	3,906	30,121
2025	11,272	2,686	13,958
2026	3,734	1,555	5,289
<b>Total</b>	<u>\$ 70,823</u>	<u>\$ 13,174</u>	<u>\$ 83,997</u>

# **TOWN OF BAY HARBOR ISLANDS, FLORIDA**

## **NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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### **NOTE 9 - COMMITMENTS AND CONTINGENCIES**

#### ***LITIGATION***

At times during the year, the Town was involved in lawsuits or other legal matters incidental to its operations, the outcome of which, in the opinion of management and legal counsel, would not have a material adverse effect on the financial condition of the Town.

#### ***RISK MANAGEMENT***

The Town is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, workers compensation, and natural disasters for which the Town carries commercial insurance. There was no reduction in insurance coverage from coverages in the prior year and there were no settlements that exceeded insurance coverage for each of the past three years.

### **NOTE 10 - DEFINED BENEFIT PENSION PLAN**

#### ***PLAN DESCRIPTION***

The Town has a single-employer defined benefit pension plan covering all full-time general employees and police officers with one year of service. The Plan issues a publicly available financial report that includes financial statements and required supplementary information. The Plan's fiduciary net position has been determined on the same basis that is used by the Plan. This report may be obtained by contacting the Town's Finance Director or visiting the Town's website.

The Town of Bay Harbor Islands Employees' Retirement System was established by the Town's Ordinance 226 effective January 12, 1970. The Plan is considered part of the Town's financial reporting entity and is included in the Town's financial statements as a pension trust fund. All full-time general employees and police officers with one year of service are eligible. The actuarial funding valuation is as of October 1, 2020 (beginning of year valuation date) for the Town's contribution for fiscal year ended September 30, 2022. Benefit and contribution provisions are established by Chapter 16 of the Town Code and may be amended only by the Board of Trustees, subject to approval of the Town Council. Administrative costs of the Plan are funded through investment earnings.

The Plan is administered by a Board of Trustees comprised of:

- The Town Manager (a permanent member of the Board by Ordinance)
- Two members of the Town Council elected by the Town Council
- A police officer elected by his/her fellow officers
- A general employee elected by his/her fellow general employees

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 10 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### *PLAN DESCRIPTION (CONTINUED)*

Membership in the Plan as of the latest actuarial valuation dated October 1, 2021, was as follows:

Inactive plan members and beneficiaries currently receiving benefits	37
Inactive plan members entitled but not yet receiving benefits	10
Active plan members	<u>59</u>
<b>Total Members</b>	<u><u>106</u></u>

Employees become fully vested after 5 years of credited service.

#### *PENSION BENEFITS*

Normal retirement is as follows:

- General employees who retire at the earlier of age 52 with twenty years of credited service, age 55 with ten years of credited service or at age 65 regardless of time of service.
- Police officers who retire at the earlier of age 50 with twenty years of credited service, age 55 with ten years of credited service or at age 65 regardless of time of service.

Under special circumstances, the Plan also provides for delayed retirement benefits and disability retirement benefits. A member may elect to receive in a lump sum at retirement an amount which is the actuarial equivalent of the benefits otherwise payable under the Plan. General employees may elect to receive a partial lump sum equal to any portion of the actuarial equivalent lump sum value of the employee's accrued benefit, with the remaining value, if any, to be paid in the form of a straight-line annuity or in any of the other optional retirement benefit annuity forms.

Normal retirement benefits for general employees are based on 1.25% of average final compensation. For police, the multiplier is 1.75% for service before October 1, 2005, 3% after that date and before October 1, 2006, and 3.25% thereafter. For general employees and for police service before October 1, 2005, the multiplier may increase depending upon the members' contribution rate.

For police officers who were employed and accruing credited service on October 1, 2014, the normal retirement benefit rate increased from 3.25% to 3.50% for years of service on or after October 1, 2014.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 10 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### *PENSION BENEFITS (CONTINUED)*

For general employees who were employed and accruing credited service on October 1, 2015, the normal retirement benefit rate increased from 1.25% to 1.50% for all credited service earned from October 1, 2010 to September 30, 2016, and to 1.75% for all credit service earned on or after October 1, 2016.

A terminating member with less than five years creditable service shall receive his/her contribution plus accrued interest accumulated since initial employment.

A police officer may purchase credited service for military service or for service as a police officer for a different employer occurring prior to the member's first or initial employment with the Town, as long as the member is not entitled to receive a benefit for such other prior service as a police officer. The maximum number of years of credited service that may be purchased for prior military and prior police service combined is four years.

#### *CONTRIBUTIONS AND FUNDING POLICY*

General employees are required to contribute 2% of their compensation, and may elect to make additional voluntary contributions up to 10%. Effective October 1, 2006, the mandatory contribution for police is 8% and no additional voluntary contributions are permitted. Employer contributions for fiscal year ended September 30, 2022 were 21.25% of covered payroll. The contribution requirements of the Town for the fiscal year ended September 30, 2022 were determined by the October 1, 2020 actuarial valuation. Pursuant to Chapter 185 of the Florida Statutes, a premium tax on certain property and casualty insurance contracts, written on Town of Bay Harbor Islands properties, is collected by the state and is remitted to the Town. The State of Florida distributes this money to local governments meeting certain eligibility requirements which is intended to purchase supplemental pension benefits for police officers. Refer to the share plan/supplemental benefits note for changes made to this benefit.

In fiscal year 2022, \$59,799 was received by the Town from the State on behalf of Police Officers (Chapter 185) and recorded in the General Fund as revenue and as a contribution (expenditure) to the Plan. The total amount went towards funding the actuarially determined annual required contribution for the Plan.

The Plan's funding policy provides for actuarially determined periodic employer contributions sufficient to pay the benefits provided by the Plan when they become due. The actuarial cost method used for determining the contribution requirements of the Plan is the entry age normal cost method.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 10 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### *SHARE PLAN/SUPPLEMENTAL BENEFITS*

The Town participates in the State of Florida Chapter 185 program. As a participant in the program, the Town is eligible to receive annual distributions of state premium tax collections on property and casualty insurance policies written within the Town limits. Chapter 185 levies a 0.85% tax on all casualty insurance premiums written within the Town limits. The monies received by the Town are for the purpose of providing benefits to or for the exclusive use of police officers. Effective October 1, 2015, the Town and the Dade County Police Benevolent Association agreed to utilize the supplemental benefit assets to increase the normal retirement multiplier to 3.50% and to utilize future Chapter 185 distributions as an offset to the Town's required contributions. As a result, there are no Share plan assets included in the pension trust fund as of September 30, 2022.

#### *DEFERRED RETIREMENT OPTION PLAN ("DROP")*

The Board of Trustees approved and amended the Plan documents to include a DROP for general employees effective January 18, 2020 and for police officers effective October 7, 2019. Any member is eligible to enter the DROP on or after his or her normal retirement date as defined above. The maximum participation in the DROP is 60 months. However, an extension of a member's participation time in the DROP may be allowed at the sole discretion of the town manager and on a case-by-case basis. If an extension of time is allowed, the manager's approval shall be in writing and it shall specify the amount of time that is approved. A DROP member may separate from service prior to the expiration of the five-year period and can only participate in the DROP once.

Upon commencement of participation in the DROP, (a) the employee does not receive any additional creditable service for pension purposes, (b) the member is not eligible for disability or pre-retirement death benefits and (c) the member's contributions are discontinued. Additionally, the amount of final average salary for calculation of pension benefits is determined as of the date of entering the DROP. No payment is made for accrued unused leave upon entering the DROP, nor shall the amount of accrued unpaid leave be used in the calculation of the amount of pension benefits.

The monthly retirement benefits that would have been payable had the member elected to cease employment and not join the DROP, is credited to the member's DROP account. The money in all participant's DROP accounts is commingled with all other assets of the fund.

For members who enter the DROP on or after October 7, 2019, the member's DROP account is credited with the interest earned by the individual employee's retirement system account for the fiscal year minus administrative fees reasonably incurred by the Town in processing the account.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 10 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### ***DEFERRED RETIREMENT OPTION PLAN ("DROP") (CONTINUED)***

Upon termination of a DROP member's employment with the Town, the retirement benefits accumulated in the member's DROP account is paid to the member. The balance credited to the member's DROP account shall be payable either to the member or as a direct rollover into any qualified plan that accepts rollovers. All distributions must comply with the Internal Revenue Code and regulations promulgated thereunder.

There were no members who participated in the DROP as of the fiscal year ended September 30, 2022.

#### ***BASIS OF ACCOUNTING***

The financial statements of the Plan are prepared using the accrual basis of accounting in accordance with GAAP as applied to governmental entities in accordance with GASB pronouncements. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

#### ***METHOD USED TO VALUE INVESTMENTS***

Investments are reported at fair value, except for money market funds, which are reported at amortized cost. Net appreciation (depreciation) in fair value of investments includes realized and unrealized gains and losses. Realized gains and losses are determined on the basis of average cost. Purchases and sales of securities are recorded on the trade-date basis. Interest and dividends are recorded as earned on the accrual basis. For more details regarding the methods used to measure the fair value of investments, refer to the fair value hierarchy in Note 3.

Within certain limitations as specified in the Plan, the investment policy is determined by the Board of Trustees and is implemented by the Plan's investment managers.



# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

### NOTE 10 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### *NET PENSION ASSET OF THE TOWN*

In accordance with Government Accounting Standards Board Statement No. 68, the net pension asset of the Town, which elected to use a measurement date of September 30, 2021, was as follows:

Total pension liability	\$ 19,448,054
Less plan fiduciary net position	<u>(25,478,156)</u>
<b>Net pension asset</b>	<u><b>\$ (6,030,102)</b></u>
Plan fiduciary net position as a percentage of the total pension liability	<u><b>131.01%</b></u>

The above net pension asset is recorded within the government-wide statement of net position as of September 30, 2022.

#### *CHANGES IN THE NET PENSION LIABILITY/ASSET*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
<b>Balances at September 30, 2020</b>	<u>\$ 19,043,054</u>	<u>\$ (22,715,536)</u>	<u>\$ (3,672,482)</u>
Changes for the year:			
Service cost	739,288	--	739,288
Expected interest growth	1,553,006	(1,771,330)	(218,324)
Unexpected investment income	--	(1,934,648)	(1,934,648)
Demographic experience	1,073,343	--	1,073,343
Assumption Changes	(630,731)	--	(630,731)
Contributions - employer	--	(1,050,617)	(1,050,617)
Contributions - employee	--	(372,757)	(372,757)
Benefit payments, including refunds of employee contributions	(2,329,906)	2,329,906	--
Administrative changes	--	36,826	36,826
Net changes	<u>405,000</u>	<u>(2,762,620)</u>	<u>(2,357,620)</u>
<b>Balances at September 30, 2021</b>	<u><b>\$ 19,448,054</b></u>	<u><b>\$ (25,478,156)</b></u>	<u><b>\$ (6,030,102)</b></u>

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 10 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### *SIGNIFICANT ACTUARIAL ASSUMPTIONS*

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate	7.96%
Inflation	3.00%
Salary increases	4.00% per annum
Measurement Date	September 30, 2021, based on a valuation date of October 1, 2020
Ad-hoc Cost of Living Increases	None
Mortality Rates	Sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Employee Mortality Table, with full generational projections using Scale MP-2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021 are summarized in the following table:

Asset Class	Expected Long-Term Real Return	Target Allocation
Large cap (domestic equity)	8.3%	25.0%
Mid cap (domestic equity)	9.8%	7.5%
Small cap (domestic equity)	10.6%	7.5%
Fixed Income	2.4%	35.0%
Developed Markets	6.1%	10.0%
Emerging Market (international equity)	11.3%	5.0%
Real Estate	6.5%	10.0%

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 10 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### *DISCOUNT RATE*

The discount rate used to measure the total pension liability was 7.96%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### *SENSITIVITY OF THE TOWN'S NET PENSION ASSET TO CHANGES IN THE DISCOUNT RATE*

The following presents the net pension asset, calculated using the discount rate of 7.96%, as well as what the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.96%) or 1-percentage-point higher (8.96%) than the current rate:

	1% Decrease (6.96%)	Current Discount Rate (7.96%)	1% Increase (8.96%)
<b>Net Pension Asset</b>	<u>\$ (3,963,595)</u>	<u>\$ (6,030,102)</u>	<u>\$ (7,760,584)</u>

#### *PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS*

At September 30, 2022, the Town reported a net pension asset of \$6,030,102. The net pension asset was measured as of September 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of October 1, 2020. For the fiscal year ended September 30, 2022, the Town recognized credit to pension expense of approximately \$1,504,586 as a result of changes in actuarial assumptions. In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Net unexpected investment income	\$ --	\$ 1,032,757
Assumption changes	--	439,020
Demographic experience	512,431	--
Town contributions subsequent to the measurement date	937,085	--
<b>Total</b>	<u>\$ 1,449,516</u>	<u>\$ 1,471,777</u>

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 10 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### *PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)*

The deferred outflows of resources totaling \$937,085 resulting from Town contributions to the pension subsequent to the measurement date will be recognized as an increase or decrease of the net pension asset in the subsequent fiscal year. The additional amounts reported as deferred inflows and outflows of resources related to the pension will be recognized in pension expense over the remaining years as follows:

Fiscal Year Ending September 30	Amount
2023	\$ 279,796
2024	16,356
2025	276,264
2026	386,930
<b>Total</b>	<u><u>\$ 959,346</u></u>

### NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS

#### *PLAN DESCRIPTION AND BENEFITS PROVIDED*

The Town provides an optional single employer defined-benefit post-employment (OPEB) healthcare plan to all regular employees of the Town who retire from active service and receive retirement benefits under the Town's pension plan. The plan allows its employees and their beneficiaries, at their own cost, to continue to obtain health, dental and other insurance benefits upon retirement. The benefits of the plan conform to Florida Statutes, which are the legal authority for the plan. The plan has no assets and does not issue a separate financial report.

At September 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Inactive employees entitled to but not yet receiving benefit payments	--
Active employees	<u>67</u>
<b>Total employees</b>	<u><u>69</u></u>

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

#### ***TOTAL OPEB LIABILITY***

The Town's total OPEB liability of \$237,191 was measured as of September 30, 2022, and was determined by an actuarial valuation as of October 1, 2020.

#### ***ACTUARIAL ASSUMPTIONS AND OTHER INPUTS***

The Town's total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	3.00% per annum
Discount rate	4.77% per annum
Healthcare cost trend rates	7.0% for fiscal year 2020/2021, decreasing .50% per year to an ultimate rate of 5.00% for fiscal year 2024/2025 and later years
Retirees' share of benefit-related costs	100% of projected health insurance premiums for retirees
Mortality Rates	Sex-distinct rates set forth in the PUB-2010 Mortality Table (with income adjustments) for general and public safety employees, with full generational improvements in mortality using Scale MP-2020

#### ***CHANGES IN THE TOTAL OPEB LIABILITY***

	Total OPEB Liability (a)
<b>Balance at September 30, 2021</b>	<u>\$ 272,195</u>
<b>Changes for the Year:</b>	
Service cost	11,774
Interest	13,206
Changes of assumptions or other inputs	(45,603)
Benefit payments	<u>(14,381)</u>
<b>Net Change</b>	<u>(35,004)</u>
<b>Balance at September 30, 2022</b>	<u><u>\$ 237,191</u></u>

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

#### *SENSITIVITY OF THE TOWN'S TOTAL OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE*

The following presents the total OPEB liability, calculated using the discount rate of 4.77%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.77%) or 1-percentage-point higher (5.77%) than the current rate:

	1% Decrease (3.77%)	Discount Rate (4.77%)	1% Increase (5.77%)
<b>Total OPEB Liability</b>	<u>\$ 254,715</u>	<u>\$ 237,191</u>	<u>\$ 221,578</u>

#### *SENSITIVITY OF THE TOWN'S TOTAL OPEB LIABILITY TO CHANGES HEALTHCARE COST TREND RATES*

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that is 1-percentage-point lower (6.0% decreasing to 4.0%) or 1-percentage-point higher (8.0% decreasing to 6.0%) than the current rate:

	1% Decrease (6% Decreasing to 4.0%)	Healthcare Cost Trend Rates (7% Decreasing to 5.0%)	1% Increase (8% Decreasing to 6.0%)
<b>Total OPEB Liability</b>	<u>\$ 216,133</u>	<u>\$ 237,191</u>	<u>\$ 261,292</u>

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

#### ***OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB***

For the fiscal year ended September 30, 2022, the Town recognized OPEB expense of \$5,751. At September 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Assumption changes	\$ 5,371	\$ 61,744
Demographic experience	7,265	--
<b>Total</b>	<u>\$ 12,636</u>	<u>\$ 61,744</u>

Amounts reported as deferred outflows of resources related to OPEB will be recognized as OPEB expense over the remaining years as follows:

Fiscal Year Ending September 30	Amount
2023	\$ 14,640
2024	20,394
2025	<u>14,074</u>
<b>Total</b>	<u>\$ 49,108</u>



# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## NOTES TO BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 12 – EXPENDITURES AND TRANSFERS OUT IN EXCESS OF APPROPRIATIONS

During the fiscal year ended September 30, 2022, the Town incurred expenditures and transfers out in the General Fund that were in excess of the amounts appropriated:

#### Expenditures

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Principal, interest and fiscal charges	\$ 516,138	\$ 580,207	\$ (64,069)
Legal	180,000	219,801	(39,801)
Other public safety	83,386	94,070	(10,684)
Executive	455,579	460,290	(4,711)
Finance and administration	311,795	315,217	(3,422)

#### Other Financing Uses

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Transfers out	\$ 696,987	\$ 1,508,382	\$ (811,395)

The overages were paid from available General Fund reserves.

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**REQUIRED SUPPLEMENTARY INFORMATION  
(OTHER THAN MD&A)**

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# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## BUDGETARY COMPARISON SCHEDULE

### GENERAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget-Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 4,636,413	\$ 4,636,413	\$ 4,766,371	\$ 129,958
Utility taxes	449,000	449,000	572,296	123,296
Communications services tax	170,000	170,000	174,894	4,894
Franchise fees	360,000	360,000	466,503	106,503
Licenses and permits	1,660,000	1,660,000	3,663,084	2,003,084
Intergovernmental	934,500	934,500	1,340,320	405,820
Transfer development right fees	--	--	2,000	2,000
Charges for services	268,530	268,530	550,348	281,818
Fines and forfeitures	61,000	61,000	536,467	475,467
Investment earnings (losses)	55,000	55,000	(313,408)	(368,408)
Grants	1,266,000	1,500,722	1,505,556	4,834
Miscellaneous	83,500	83,495	209,178	125,683
<b>Total Revenues</b>	<b>9,943,943</b>	<b>10,178,660</b>	<b>13,473,609</b>	<b>3,294,949</b>
<b>Expenditures</b>				
General government:				
Legislative	240,357	240,350	157,886	82,464
Executive	455,579	455,579	460,290	(4,711)
Clerk	276,316	353,129	247,404	105,725
Finance and administration	245,795	311,795	315,217	(3,422)
Information technology	496,097	618,097	479,547	138,550
Human resources	130,546	205,546	174,188	31,358
Legal	180,000	180,000	219,801	(39,801)
<b>Total General Government</b>	<b>2,024,690</b>	<b>2,364,496</b>	<b>2,054,333</b>	<b>310,163</b>
Public buildings	426,028	1,084,971	729,627	355,344
Public safety:				
Law enforcement	4,897,237	4,897,237	4,718,608	178,629
Protective inspections	1,214,733	1,418,208	1,031,444	386,764
Code enforcement	193,472	203,472	174,817	28,655
Other public safety	83,386	83,386	94,070	(10,684)
Total public safety	<b>6,388,828</b>	<b>6,602,303</b>	<b>6,018,939</b>	<b>583,364</b>
Transportation:				
Streets and parkways	755,857	1,199,973	884,763	315,210
Public transit	128,000	128,000	108,523	19,477
Total transportation	<b>883,857</b>	<b>1,327,973</b>	<b>993,286</b>	<b>334,687</b>
Culture and recreation:				
Parks and recreation	1,854,462	2,221,842	1,365,150	856,692
Transfer to reserves	234,000	234,000	--	234,000
Total culture and recreation	<b>2,088,462</b>	<b>2,455,842</b>	<b>1,365,150</b>	<b>1,090,692</b>
Debt service:				
Principal, interest and fiscal charges	516,138	516,138	580,207	(64,069)
Total expenditures	<b>12,328,003</b>	<b>14,351,723</b>	<b>11,741,542</b>	<b>2,610,181</b>
<b>Deficiency of revenues over expenditures</b>	<b>(2,384,060)</b>	<b>(4,173,063)</b>	<b>1,732,067</b>	<b>5,905,130</b>
<b>Other financing sources (uses)</b>				
Appropriation of prior year fund balance	--	2,485,990	--	(2,485,990)
Leases (right-of-use asset) acquired	--	--	189,163	189,163
Transfers out	--	(696,987)	(1,508,382)	(811,395)
Transfers in	2,384,060	2,384,060	2,384,060	--
<b>Total other financing sources (uses)</b>	<b>2,384,060</b>	<b>4,173,063</b>	<b>1,064,841</b>	<b>(3,108,222)</b>
<b>Net change in fund balance</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 2,796,908</b>	<b>\$ 2,796,908</b>

See note to budgetary comparison schedule.

# **TOWN OF BAY HARBOR ISLANDS, FLORIDA**

## **REQUIRED SUPPLEMENTARY INFORMATION NOTE TO BUDGETARY COMPARISON SCHEDULE FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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### **NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING**

Annual appropriated budgets are prepared for the General Fund, the Park Impact Fees Fund (a nonmajor fund), and the Police Forfeitures Fund (a nonmajor fund).

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- (a) The Town Manager submits to the Council a proposed operating budget for the ensuing fiscal year. The operating budget includes appropriations and the means of financing them with an explanation regarding each expenditure that is not of a routine nature.
- (b) Public hearings are conducted to obtain taxpayer comments.
- (c) Prior to October 1, the budget is legally enacted through passage of an Ordinance.
- (d) The Town Council, by motion, may make supplemental appropriations for the year up to the amount of revenues in excess of those estimated or from available fund balance. During fiscal year ended September 30, 2022, there were supplemental appropriations in the General Fund of approximately \$2,720,707.
- (e) Formal budgetary integration is employed as a management control device for the General Fund. Budget amendments were not material in relation to the original appropriation.
- (f) The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).
- (g) The Town Manager is authorized to transfer part or all of an encumbered appropriation balance within departments within a fund; however, any revisions that alter the total appropriations of any department or fund must be approved by the Town Council. Therefore, the legal level of control is at the department level.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF CHANGES IN THE TOWN'S TOTAL OPEB LIABILITY AND RELATED RATIOS

Measurement Date, September 30,	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>					
Service cost	\$ 11,774	\$ 17,062	\$ 19,214	\$ 15,299	\$ 11,358
Interest	13,206	7,489	5,695	8,089	7,880
Demographic experience	--	12,001	--	4,510	--
Changes of assumptions or other inputs	(45,603)	(49,688)	31,584	22,472	--
Benefit payments	<u>(14,381)</u>	<u>(11,515)</u>	<u>(13,028)</u>	<u>(15,099)</u>	<u>(12,372)</u>
<b>Net Change in Total OPEB Liability</b>	<b>(35,004)</b>	<b>(24,651)</b>	<b>43,465</b>	<b>35,271</b>	<b>6,866</b>
<b>Total OPEB Liability - Beginning</b>	<b><u>272,195</u></b>	<b><u>296,846</u></b>	<b><u>253,381</u></b>	<b><u>218,110</u></b>	<b><u>211,244</u></b>
<b>Total OPEB Liability - Ending</b>	<b><u>\$ 237,191</u></b>	<b><u>\$ 272,195</u></b>	<b><u>\$ 296,846</u></b>	<b><u>\$ 253,381</u></b>	<b><u>\$ 218,110</u></b>
<b>Covered-Employee Payroll</b>	<b>\$ 4,525,693</b>	<b>\$ 4,525,693</b>	<b>\$ 4,263,252</b>	<b>\$ 4,263,252</b>	<b>\$ 4,363,540</b>
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	<b>5.24%</b>	<b>6.01%</b>	<b>6.96%</b>	<b>5.94%</b>	<b>5.00%</b>

*This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.*

*Note: The OPEB Plan is not accounted for as a trust fund since an irrevocable trust has not been established to fund the OPEB Plan. As such, the OPEB Plan has no assets and does not issue a separate financial report.*

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

Measurement Date:	September 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>									
Service cost	\$ 896,214	\$ 739,288	\$ 752,678	\$ 786,299	\$ 1,071,650	\$ 1,026,849	\$ 881,514	\$ 758,824	\$ 686,893
Interest	1,595,591	1,553,006	1,530,252	1,850,596	1,279,001	1,180,877	983,968	923,439	851,757
Demographic experience	1,631,800	1,073,343	(642,790)	(477,459)	906,769	(328,634)	(435,741)	(100,632)	--
Changes of benefit terms	--	--	--	--	8,635	726,619	998,287	--	--
Changes of assumptions	--	(630,731)	--	(4,786,155)	--	--	1,864,465	--	--
Benefit payments, including refunds of member contributions	(878,945)	(2,329,906)	(1,341,878)	(1,310,542)	(1,688,273)	(893,750)	(1,064,535)	(671,862)	(359,028)
<b>Net change in total pension liability</b>	3,244,660	405,000	298,262	(3,937,261)	1,577,782	1,711,961	3,227,958	909,769	1,179,622
<b>Total pension liability - beginning</b>	19,448,054	19,043,054	18,744,792	22,682,053	21,104,271	19,392,310	16,164,352	15,254,583	14,074,961
<b>Total pension liability - ending (a)</b>	22,692,714	19,448,054	19,043,054	18,744,792	22,682,053	21,104,271	19,392,310	16,164,352	15,254,583
<b>Plan fiduciary net position</b>									
Contributions - employer	937,084	1,050,617	1,080,265	1,004,663	1,137,266	874,490	795,792	674,623	922,599
Contributions - employee	418,944	372,757	520,770	399,794	345,320	332,750	700,737	271,897	275,817
Net Investment income (loss)	(3,315,562)	3,705,978	1,336,214	651,814	1,558,236	1,705,415	1,506,073	(248,856)	1,185,773
Benefit payments, including refunds of member contributions	(878,945)	(2,329,906)	(1,341,878)	(1,310,542)	(1,688,273)	(893,750)	(1,064,535)	(671,862)	(384,382)
Administrative expense	(71,614)	(36,826)	(45,349)	(38,809)	(37,597)	(33,384)	(37,339)	(31,590)	(31,811)
<b>Net change in plan fiduciary net position</b>	(2,910,093)	2,762,620	1,550,022	706,920	1,314,952	1,985,521	1,900,728	(5,788)	1,967,996
<b>Plan fiduciary net position - beginning</b>	25,478,156	22,715,536	21,165,514	20,410,342	19,095,390	17,114,069	15,213,341	15,219,129	13,251,133
<b>Plan fiduciary net position - ending (b)</b>	22,568,063	25,478,156	22,715,536	21,117,262	20,410,342	19,099,590	17,114,069	15,213,341	15,219,129
<b>Net pension liability (asset) - Ending (a) - (b)</b>	\$ 124,651	\$ (6,030,102)	\$ (3,672,482)	\$ (2,372,470)	\$ 2,271,711	\$ 2,004,681	\$ 2,278,241	\$ 951,011	\$ 35,454
<b>Fiduciary net position as a percentage of the total pension liability (asset)</b>	99.45%	131.01%	119.29%	112.66%	89.98%	90.50%	88.25%	94.12%	99.77%
<b>Covered payroll</b>	\$ 4,409,406	\$ 4,525,693	\$ 4,402,353	\$ 4,645,071	\$ 4,363,540	\$ 4,362,247	\$ 3,962,146	\$ 3,822,792	\$ 3,633,983
<b>Net pension liability as a percentage of covered payroll</b>	2.83%	N/A	N/A	N/A	52.06%	45.96%	57.50%	24.88%	0.98%

Note: Plan Fiduciary Net Position for 2019 excludes \$48,252 related to employer contributions that were accrued after the actuarial valuation was completed.

Note: Plan Fiduciary Net Position for 2017 excludes \$4,200 related to benefits payable to participants that was accrued after the actuarial valuation was completed.

Note: Plan Fiduciary Net Position for 2015 and 2014 excludes \$223,769 and \$198,656, respectively, of Share Plan net position. In fiscal year 2016, Share Plan assets were transferred over to the Plan and are included in the 2016 employer contributions.

N/A means not applicable

*This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.*

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF TOWN CONTRIBUTIONS

Fiscal Year Ended September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2022	\$ 834,338	\$ 937,084	\$ (102,746)	\$ 4,409,406	21.25%
2021	1,001,827	1,050,617	(48,790)	4,526,693	23.21%
2020	1,022,793	1,128,517	(105,724)	4,402,353	25.63%
2019	1,001,806	1,004,663	(2,857)	4,645,071	21.63%
2018	1,086,156	1,137,266	(51,110)	4,363,540	26.06%
2017	816,415	874,490	(58,075)	4,362,247	20.05%
2016	795,792	795,792	--	3,962,146	20.08%
2015	674,623	674,623	--	3,822,792	17.65%
2014	922,599	922,599	--	3,633,983	25.39%
2013	1,145,749	1,145,749	--	3,633,983	31.53%

### Methods and Assumptions Used to Determine Contribution Rates for Fiscal Year Ended September 30, 2022:

Valuation Date: October 1, 2020

Note: Actuarially determined contribution rates are calculated as of October 1, which is 24 months prior to the end of the fiscal year which contributions are reported.

Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Dollar
Remaining Amortization Period	10 years
Asset Valuation Method	Fair Value
Inflation and Other General Increases	3.00%
Salary Increases	4.00%
Discount Rate of Return	7.96%
Retirement Age	Retirement is assumed to occur at normal retirement age.
Mortality	Sex-distinct rates set forth in the RP-2000 Combined Mortality Table, with full generational projections using Scale BB.

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## **SUPPLEMENTARY INFORMATION**

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# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS SEPTEMBER 30, 2022

	Special Revenue		
	Park Impact Fees Fund	Police Forfeitures Fund	Total
<b>Assets</b>			
Cash	\$ 527,361	\$ 50,034	\$ 577,395
Due from other funds	31,058	--	31,058
<b>Total assets</b>	<b>\$ 558,419</b>	<b>\$ 50,034</b>	<b>\$ 608,453</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 5,750	\$ 1,750	\$ 7,500
Due to other funds	--	4,131	4,131
<b>Total liabilities</b>	<b>5,750</b>	<b>5,881</b>	<b>11,631</b>
<b>Fund balances</b>			
Restricted:			
Law enforcement	--	44,153	44,153
Park Impact	552,669	--	552,669
<b>Total fund balances</b>	<b>552,669</b>	<b>44,153</b>	<b>596,822</b>
<b>Total liabilities and fund balances</b>	<b>\$ 558,419</b>	<b>\$ 50,034</b>	<b>\$ 608,453</b>

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue		
	Park Impact Fees Fund	Police Forfeitures Fund	Total
<b>Revenues</b>			
Impact fees	\$ 48,038	\$ --	\$ 48,038
<b>Total revenues</b>	48,038	--	48,038
<b>Expenditures</b>			
Current:			
Public safety	--	10,068	10,068
Capital outlay	22,730	--	22,730
<b>Total expenditures</b>	22,730	10,068	32,798
<b>Excess (deficiency) of revenues over expenditures</b>	25,308	(10,068)	15,240
<b>Other financing sources</b>			
Transfers in	527,361	54,221	581,582
<b>Total other financing sources</b>	527,361	54,221	581,582
<b>Net change in fund balances</b>	552,669	44,153	596,822
<b>Fund balances - beginning</b>	--	--	--
<b>Fund balances - ending</b>	\$ 552,669	\$ 44,153	\$ 596,822

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## BUDGETARY COMPARISON SCHEDULE

### PARK IMPACT FEES FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
				<u>Budget-Positive</u>
				<u>(Negative)</u>
<b>Revenues</b>				
Park impact fees	\$ --	\$ --	\$ 48,038	\$ 48,038
<b>Total Revenues</b>	--	--	48,038	48,038
<b>Expenditures</b>				
Capital Outlay				
Parks and recreation	500,000	500,000	22,730	477,270
Total expenditures	500,000	500,000	22,730	477,270
<b>Excess (deficiency) of revenues over expenditures</b>	(500,000)	(500,000)	25,308	525,308
<b>Other financing sources</b>				
Appropriation of prior year fund balance	500,000	500,000	--	(500,000)
Transfers in	--	--	527,361	527,361
<b>Total other financing sources</b>	500,000	500,000	527,361	27,361
<b>Net change in fund balance</b>	\$ --	\$ --	\$ 552,669	\$ 552,669

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## BUDGETARY COMPARISON SCHEDULE

### POLICE FORFEITURES FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget-Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Miscellaneous	\$ 50	\$ 50	\$ --	\$ (50)
<b>Total Revenues</b>	50	50	--	(50)
<b>Expenditures</b>				
Public safety:				
Law enforcement	50,084	50,084	10,068	40,016
Total expenditures	50,084	50,084	10,068	40,016
<b>Deficiency of revenues over expenditures</b>	(50,034)	(50,034)	(10,068)	39,966
<b>Other financing sources</b>				
Appropriation of prior year fund balance	50,034	50,034	--	(50,034)
Transfers in	--	--	54,221	54,221
<b>Total other financing sources</b>	50,034	50,034	54,221	4,187
<b>Net change in fund balance</b>	\$ --	\$ --	\$ 44,153	\$ 44,153

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## STATISTICAL SECTION

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## STATISTICAL SECTION

This part of the Town of Bay Harbor Island's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

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<b>Contents</b>	<b>Page(s)</b>
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<b>Financial Trends</b>	<b>79-84</b>
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These schedules contain information to help the reader understand how the Town's financial performance and well-being have changed over time.

<b>Revenue Capacity</b>	<b>85-89</b>
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These schedules contain information to help the reader assess the Town's most significant revenue sources, the property tax and the causeway toll.

<b>Debt Capacity</b>	<b>90-93</b>
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These schedules present information to help the reader assess the affordability the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

<b>Demographic and Economic Information</b>	<b>94</b>
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

<b>Operating Information</b>	<b>95-97</b>
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These schedules contain service and infrastructural data to help the reader understand the information in the Town's financial report relates to the services and activities of the Town.

Sources: Unless otherwise noted, information is derived from the Annual Comprehensive Financial Report for the relevant year.

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## **REPORTING SECTION**

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# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## SCHEDULE 1 NET POSITION BY COMPONENT LAST TEN FISCAL YEARS (Accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Net investment in capital assets	\$ 12,195,723	\$ 12,455,881	\$ 12,948,529	\$ 14,949,552	\$ 15,529,419	\$ 15,161,744	\$ 15,378,550	\$ 15,104,245	\$ 14,986,615	\$ 15,949,213
Restricted	543,612	511,416	7,486	7,487	67,839	67,790	115,065	1,618,790	2,455,206	4,555,906
Unrestricted	3,599,739	5,109,768	8,080,656	8,259,502	8,245,522	7,979,399	7,810,483	8,615,653	11,281,338	14,163,927
Total governmental activities net position	<u>\$ 16,339,074</u>	<u>\$ 18,077,065</u>	<u>\$ 21,036,671</u>	<u>\$ 23,216,541</u>	<u>\$ 23,842,780</u>	<u>\$ 23,208,933</u>	<u>\$ 23,304,098</u>	<u>\$ 25,338,688</u>	<u>\$ 28,723,159</u>	<u>\$ 34,669,046</u>
Business-type activities:										
Net investment in capital assets	\$ 18,077,105	\$ 18,598,260	\$ 17,833,029	\$ 23,524,318	\$ 27,851,167	\$ 27,475,399	\$ 27,270,755	\$ 27,772,967	\$ 28,185,137	\$ 28,306,127
Restricted	77,242	80,192	83,142	86,092	89,043	91,993	94,943	1,016,057	1,331,064	2,183,635
Unrestricted	7,463,786	7,287,671	10,240,475	7,262,551	7,568,819	12,161,608	16,974,083	19,895,383	24,346,318	27,599,698
Total business-type activities net position	<u>\$ 25,618,133</u>	<u>\$ 25,966,123</u>	<u>\$ 28,156,646</u>	<u>\$ 30,872,961</u>	<u>\$ 35,509,029</u>	<u>\$ 39,729,000</u>	<u>\$ 44,339,781</u>	<u>\$ 48,684,407</u>	<u>\$ 53,862,519</u>	<u>\$ 58,089,460</u>
Primary government										
Net investment in capital assets	\$ 30,272,828	\$ 31,054,141	\$ 30,781,558	\$ 38,473,870	\$ 43,380,586	\$ 42,637,143	\$ 42,649,305	\$ 42,877,212	\$ 43,171,752	\$ 44,255,340
Restricted	620,854	591,608	90,628	93,579	156,882	159,783	210,008	2,634,847	3,786,270	6,739,541
Unrestricted	11,063,525	12,397,439	18,321,131	15,522,053	15,814,341	20,141,007	24,784,566	28,511,036	35,627,656	41,763,625
Total primary government net position	<u>\$ 41,957,207</u>	<u>\$ 44,043,188</u>	<u>\$ 49,193,317</u>	<u>\$ 54,089,502</u>	<u>\$ 59,351,809</u>	<u>\$ 62,937,933</u>	<u>\$ 67,643,879</u>	<u>\$ 74,023,095</u>	<u>\$ 82,585,678</u>	<u>\$ 92,758,506</u>



# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## SCHEDULE 2 CHANGES IN NET POSITION LAST TEN FISCAL YEARS (Accrual Basis of Accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
Governmental activities:										
General government	\$ 1,069,286	\$ 969,146	\$ 1,333,314	\$ 1,538,406	\$ 1,537,536	\$ 1,780,209	\$ 2,318,792	\$ 1,768,769	\$ 1,486,733	\$ 2,166,259
Public safety	4,741,403	4,247,292	4,285,979	4,586,153	5,044,475	5,330,461	5,058,762	4,136,294	4,327,810	4,740,370
Transportation	1,198,230	1,031,567	1,058,239	1,092,928	1,285,291	1,295,889	1,126,025	1,062,366	1,049,872	1,130,853
Culture and recreation	162,244	303,531	620,285	874,555	1,127,501	1,459,979	1,470,681	1,230,141	1,274,188	1,467,405
Interest on long-term debt	552,546	255,835	248,602	291,717	186,048	185,472	176,656	167,388	162,482	156,359
Total governmental activities expenses	7,723,709	6,807,371	7,546,419	8,383,759	9,180,851	10,052,010	10,150,916	8,364,958	8,301,085	9,661,246
Business-type activities:										
Causeway	4,157,983	5,041,852	3,423,522	3,721,789	3,550,807	4,735,956	4,467,392	4,053,303	4,023,653	4,713,142
Sewer	1,334,271	1,220,829	1,251,842	1,440,701	1,547,994	1,477,308	1,640,744	1,585,259	1,773,259	1,797,116
Water	913,966	963,031	1,062,721	914,630	1,017,627	1,209,085	1,115,795	974,265	1,152,084	979,874
Parking	817,428	578,007	554,897	610,508	640,691	664,496	712,546	619,454	595,505	641,145
Solid waste	690,765	754,366	764,182	763,258	736,001	717,272	744,219	751,989	787,885	841,525
Stormwater	120,114	118,290	153,990	236,869	196,640	198,933	238,866	229,718	224,338	234,816
Total business-type activities expenses	8,034,527	8,676,375	7,211,154	7,687,755	7,689,760	9,003,050	8,919,562	8,213,988	8,556,724	9,207,618
Total primary government expenses	15,758,236	15,483,746	14,757,573	16,071,514	16,870,611	19,055,060	19,070,478	16,578,946	16,857,809	18,868,864
Program revenues:										
Governmental activities:										
Charges for services:										
General government	509,994	513,369	1,180,307	2,535,629	1,883,013	766,835	967,692	1,320,142	898,344	3,665,129
Public safety	188,158	119,749	123,346	112,103	115,543	168,887	159,708	127,152	50,449	536,467
Transportation	--	--	--	1,145	4,750	1,307	--	--	--	--
Culture and recreation	10,726	117,927	187,006	188,935	220,142	269,644	285,879	43,536	163,653	550,303
Operating grants and contributions	75,071	44,615	45,552	41,440	42,825	333,051	48,252	70,000	1,696,222	1,505,556
Capital grants and contributions	226,878	553,794	258,583	254,549	254,603	296,068	314,849	267,579	325,861	399,937
Total governmental activities program revenues	1,010,827	1,349,454	1,794,794	3,133,801	2,520,876	1,835,792	1,776,380	1,828,409	3,134,529	6,657,392
Business-type activities:										
Charges for services:										
Causeway	5,582,204	5,832,200	5,640,616	6,343,875	8,627,495	9,549,066	9,623,061	8,061,982	9,181,817	9,177,878
Sewer	1,934,067	1,857,548	1,981,206	2,013,613	2,253,963	2,382,027	2,375,878	2,323,675	2,460,805	2,709,892
Water	1,214,093	1,097,840	1,226,305	1,154,818	1,219,765	1,278,795	1,281,424	1,227,971	1,320,639	1,427,004
Parking	476,723	691,395	733,488	673,472	738,302	716,872	688,309	438,110	748,014	877,458
Solid waste	715,130	725,714	711,977	698,570	755,226	795,676	815,242	814,680	895,268	1,066,194
Stormwater	209,667	209,457	205,037	210,169	208,544	217,243	218,863	216,919	223,655	263,340
Capital grants and contributions	--	--	485,012	514,988	--	--	--	918,553	498,642	--
Total business-type activities program revenues	10,131,884	10,414,154	10,983,641	11,609,505	13,803,295	14,939,679	15,002,777	14,001,890	15,328,840	15,521,766
Total primary government program revenues	\$ 11,142,711	\$ 11,763,608	\$ 12,778,435	\$ 14,743,306	\$ 16,324,171	\$ 16,775,471	\$ 16,779,157	\$ 15,830,299	\$ 18,463,369	\$ 22,179,158

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## SCHEDULE 2 (CONTINUED) CHANGES IN NET POSITION LAST TEN FISCAL YEARS (Accrual Basis of Accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (expense) revenue:										
Governmental activities	\$ (6,712,882)	\$ (5,457,917)	\$ (5,751,625)	\$ (5,249,958)	\$ (6,659,975)	\$ (8,216,218)	\$ (8,374,536)	\$ (6,536,549)	\$ (5,166,556)	\$ (3,003,854)
Business-type activities	2,097,357	1,737,779	3,772,487	3,921,750	6,113,535	5,936,629	6,083,215	5,787,902	6,772,116	6,314,148
	<u>\$ (4,615,525)</u>	<u>\$ (3,720,138)</u>	<u>\$ (1,979,138)</u>	<u>\$ (1,328,208)</u>	<u>\$ (546,440)</u>	<u>\$ (2,279,589)</u>	<u>\$ (2,291,321)</u>	<u>\$ (748,647)</u>	<u>\$ 1,605,560</u>	<u>\$ 3,310,294</u>
General revenues and other changes in net position:										
Governmental activities:										
Property taxes	\$ 3,001,002	\$ 3,054,392	\$ 3,332,606	\$ 3,429,753	\$ 3,760,854	\$ 3,963,786	\$ 4,414,128	\$ 4,648,810	\$ 4,760,975	\$ 4,766,371
Franchise fees based on gross receipts	350,569	373,096	363,587	350,674	358,731	371,041	387,317	380,091	401,000	466,503
Utility taxes	422,974	461,351	452,355	455,606	465,565	496,433	512,875	527,415	547,547	572,296
Communications services tax	281,603	270,719	249,333	221,442	203,152	203,345	186,454	174,600	165,492	174,894
Impact fees	--	--	--	--	--	--	--	--	--	48,038
Unrestricted intergovernmental revenue	618,159	630,453	670,021	1,175,138	660,337	652,061	674,423	703,078	785,697	940,809
Unrestricted investment earnings (losses)	(57,892)	12,555	39,064	68,011	(7,719)	(28,308)	202,361	182,684	(23,607)	(313,408)
Miscellaneous	103,964	82,892	50,830	74,354	57,681	51,928	94,513	73,619	80,094	209,178
Transfers	1,764,581	1,672,950	1,692,655	1,654,850	1,787,613	1,926,674	1,997,630	1,880,842	1,833,829	2,085,060
Total governmental activities	<u>6,484,960</u>	<u>6,558,408</u>	<u>6,850,451</u>	<u>7,429,828</u>	<u>7,286,214</u>	<u>7,636,960</u>	<u>8,469,701</u>	<u>8,571,139</u>	<u>8,551,027</u>	<u>8,949,741</u>
Business-type activities:										
Unrestricted investment earnings (losses)	(67,674)	13,737	45,508	94,084	(8,845)	(33,214)	251,344	210,867	(27,109)	(363,910)
Miscellaneous	278,681	269,424	254,094	355,331	318,991	262,885	273,852	226,699	266,934	361,763
Transfers	(1,764,581)	(1,672,950)	(1,692,655)	(1,654,850)	(1,787,613)	(1,926,674)	(1,997,630)	(1,880,842)	(1,833,829)	(2,085,060)
Total business-type activities	<u>(1,553,574)</u>	<u>(1,389,789)</u>	<u>(1,393,053)</u>	<u>(1,205,435)</u>	<u>(1,477,467)</u>	<u>(1,697,003)</u>	<u>(1,472,434)</u>	<u>(1,443,276)</u>	<u>(1,594,004)</u>	<u>(2,087,207)</u>
Change in net position:										
Governmental activities	(227,922)	1,100,491	1,098,826	2,179,870	626,239	(579,258)	95,165	2,034,590	3,384,471	5,945,887
Business-type activities	543,783	347,990	2,379,434	2,716,315	4,636,068	4,239,626	4,610,781	4,344,626	5,178,112	4,226,941
	<u>\$ 315,861</u>	<u>\$ 1,448,481</u>	<u>\$ 3,478,260</u>	<u>\$ 4,896,185</u>	<u>\$ 5,262,307</u>	<u>\$ 3,660,368</u>	<u>\$ 4,705,946</u>	<u>\$ 6,379,216</u>	<u>\$ 8,562,583</u>	<u>\$ 10,172,828</u>

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## SCHEDULE 3 FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (Modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Non-spendable	\$ 38,630	\$ 30,104	\$ 28,493	\$ 25,450	\$ 78,554	\$ 38,792	\$ 46,529	\$ 112,891	\$ 46,503	\$ 21,570
Restricted	23,654	26	7,486	7,487	67,839	67,790	115,065	164,534	113,788	112,617
Unassigned	3,638,393	5,050,708	7,813,864	8,089,298	8,653,794	8,851,733	9,081,019	10,173,601	11,886,220	14,709,232
Total General Fund	<u>\$ 3,700,677</u>	<u>\$ 5,080,838</u>	<u>\$ 7,849,843</u>	<u>\$ 8,122,235</u>	<u>\$ 8,800,187</u>	<u>\$ 8,958,315</u>	<u>\$ 9,242,613</u>	<u>\$ 10,451,026</u>	<u>\$ 12,046,511</u>	<u>\$ 14,843,419</u>
All other governmental funds:										
Restricted:										
Law enforcement	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 44,153
Park impact	--	--	--	--	--	--	--	--	--	552,669
Assigned:										
Capital projects fund	519,958	511,390	354,577	160,689	160,689	160,689	160,689	160,689	160,690	584,474
Total all other governmental funds:	<u>\$ 519,958</u>	<u>\$ 511,390</u>	<u>\$ 354,577</u>	<u>\$ 160,689</u>	<u>\$ 160,689</u>	<u>\$ 160,689</u>	<u>\$ 160,689</u>	<u>\$ 160,689</u>	<u>\$ 160,690</u>	<u>\$ 1,181,296</u>

Note: The general fund is show separately from other governmental funds.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## SCHEDULE 4

### CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

#### LAST TEN FISCAL YEARS

(Modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues:</b>										
Taxes	\$ 3,705,579	\$ 3,786,462	\$ 4,034,294	\$ 4,106,801	\$ 4,429,571	\$ 4,663,564	\$ 5,113,457	\$ 5,350,825	\$ 5,474,014	\$ 5,513,561
Franchise fees	350,569	373,096	363,587	350,674	358,731	371,041	387,317	380,091	401,000	466,503
Licenses and permits	509,964	826,335	1,180,257	1,051,339	629,233	761,815	967,672	1,319,112	898,314	3,663,084
Intergovernmental	876,689	913,702	970,463	971,127	922,765	989,502	1,004,290	971,167	1,100,016	1,340,320
Transfer development right fees	310,000	637,500	2,186,000	1,484,250	1,253,750	5,000	--	1,000	--	2,000
Impact fees	--	--	--	--	--	--	--	--	--	48,038
Charges for services	11,435	119,252	188,524	191,929	224,723	273,828	290,547	47,004	163,901	550,348
Fines and forfeitures	187,480	118,454	119,988	109,149	110,992	164,723	155,060	123,714	50,231	536,467
Investment earnings (losses)	(57,892)	12,555	39,064	68,011	(7,719)	(28,308)	202,361	182,684	(23,607)	(313,408)
Grants	43,418	2,163	3,693	500,000	--	288,088	--	70,000	1,696,222	1,505,556
Miscellaneous	103,964	82,891	50,830	74,354	57,681	51,928	84,413	61,168	80,094	209,178
Total revenues	<u>6,041,206</u>	<u>6,872,410</u>	<u>9,136,700</u>	<u>8,907,634</u>	<u>7,979,727</u>	<u>7,541,181</u>	<u>8,205,117</u>	<u>8,506,765</u>	<u>9,840,185</u>	<u>13,521,647</u>
<b>Expenditures:</b>										
General government	1,059,846	992,855	1,146,798	1,387,402	1,339,307	1,591,468	1,910,436	1,827,792	1,891,677	2,278,502
Public safety	4,718,586	4,219,057	4,401,701	4,441,408	4,684,294	4,998,502	4,862,875	4,952,409	5,609,588	5,824,011
Transportation	847,193	677,439	707,624	722,403	880,270	808,231	639,646	603,046	574,748	648,935
Culture and recreation	88,961	229,475	520,597	750,181	905,788	1,209,433	1,210,888	972,097	1,000,662	1,210,266
Capital outlay	288,069	516,991	743,909	2,643,918	842,941	201,442	802,419	328,895	494,522	1,642,592
Debt service:										
Principal payments	205,000	278,000	291,000	295,000	304,000	312,000	319,000	331,000	338,000	423,979
Interest and debt costs	379,135	259,950	250,611	344,248	137,538	189,958	183,285	176,407	169,334	163,247
Total expenditures	<u>7,586,790</u>	<u>7,173,767</u>	<u>8,062,240</u>	<u>10,584,560</u>	<u>9,094,138</u>	<u>9,311,034</u>	<u>9,928,549</u>	<u>9,191,646</u>	<u>10,078,531</u>	<u>12,191,532</u>
Excess of revenues over (under) expenditures	<u>(1,545,584)</u>	<u>(301,357)</u>	<u>1,074,460</u>	<u>(1,676,926)</u>	<u>(1,114,411)</u>	<u>(1,769,853)</u>	<u>(1,723,432)</u>	<u>(684,881)</u>	<u>(238,346)</u>	<u>1,330,115</u>
<b>Other financing sources (uses):</b>										
Leases (right-of-use asset) acquired	--	--	--	--	--	--	--	--	--	402,339
Transfers in	1,764,581	1,672,950	1,692,655	1,654,850	1,787,613	1,926,674	1,997,630	1,880,842	2,043,829	3,593,442
Transfers out	--	--	--	--	--	--	--	--	(210,000)	(1,508,382)
Sale of capital assets	--	--	1,890	1,145	4,750	1,307	10,100	12,451	--	--
Bonds and notes issued	4,709,000	--	--	3,218,081	--	--	--	--	--	--
Payment to bond escrow agent	(4,663,322)	--	--	(3,118,646)	--	--	--	--	--	--
Total other financing sources	<u>1,810,259</u>	<u>1,672,950</u>	<u>1,694,545</u>	<u>1,755,430</u>	<u>1,792,363</u>	<u>1,927,981</u>	<u>2,007,730</u>	<u>1,893,293</u>	<u>1,833,829</u>	<u>2,487,399</u>
Net change in fund balances	<u>\$ 264,675</u>	<u>\$ 1,371,593</u>	<u>\$ 2,769,005</u>	<u>\$ 78,504</u>	<u>\$ 677,952</u>	<u>\$ 158,128</u>	<u>\$ 284,298</u>	<u>\$ 1,208,412</u>	<u>\$ 1,595,483</u>	<u>\$ 3,817,514</u>
Debt service as a percentage of noncapital expenditures	8.0%	8.1%	7.4%	8.1%	5.4%	5.5%	5.5%	5.7%	5.3%	5.6%

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## SCHEDULE 5 PROGRAM REVENUES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS (Accrual Basis of Accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
General government	\$ 513,145	\$ 826,365	\$ 1,180,307	\$ 2,535,629	\$ 1,883,013	\$ 1,054,923	\$ 967,692	\$ 1,320,142	\$ 898,344	\$ 3,665,129
Public safety	486,956	405,162	168,898	153,543	158,368	213,850	207,960	197,152	1,746,671	2,042,023
Transportation	--	--	258,583	255,694	259,353	320,372	314,849	267,579	325,861	399,937
Culture and recreation	10,726	117,927	185,116	188,935	220,142	269,644	285,879	43,536	163,653	550,303
Total governmental activities	<u>1,010,827</u>	<u>1,349,454</u>	<u>1,792,904</u>	<u>3,133,801</u>	<u>2,520,876</u>	<u>1,858,789</u>	<u>1,776,380</u>	<u>1,828,409</u>	<u>3,134,529</u>	<u>6,657,392</u>
Business-type activities:										
Causeway	5,582,204	5,832,200	6,124,053	6,858,863	8,627,495	9,549,066	9,623,061	8,980,535	9,430,459	9,177,878
Sewer	1,934,067	1,857,548	1,981,206	2,013,613	2,253,963	2,382,027	2,375,878	2,323,675	2,710,805	2,709,892
Water	1,214,093	1,097,840	1,226,305	1,154,818	1,219,765	1,278,795	1,281,424	1,227,971	1,320,639	1,427,004
Parking	476,723	691,395	586,972	673,472	738,302	716,872	688,309	438,110	748,014	877,458
Solid waste	715,130	725,714	711,977	698,570	755,226	795,676	815,242	814,680	895,268	1,066,194
Stormwater	209,667	209,457	205,037	210,169	208,544	217,243	218,863	216,919	223,655	263,340
Total business-type activities	<u>10,131,884</u>	<u>10,414,154</u>	<u>10,835,550</u>	<u>11,609,505</u>	<u>13,803,295</u>	<u>14,939,679</u>	<u>15,002,777</u>	<u>14,001,890</u>	<u>15,328,840</u>	<u>15,521,766</u>
Total primary government	<u>\$ 11,142,711</u>	<u>\$ 11,763,608</u>	<u>\$ 12,628,454</u>	<u>\$ 14,743,306</u>	<u>\$ 16,324,171</u>	<u>\$ 16,798,468</u>	<u>\$ 16,779,157</u>	<u>\$ 15,830,299</u>	<u>\$ 18,463,369</u>	<u>\$ 22,179,158</u>

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## SCHEDULE 6

### ASSESSED VALUE OF TAXABLE PROPERTY

### LAST TEN FISCAL YEARS

Year*	Real Property	Personal Property	Total Assessed Value	Exemptions		Net Taxable Value	Direct Millage	Total Direct & Overlapping Millage
				Real	Personal			
2013	\$ 749,459,838	\$ 15,472,810	\$ 764,932,648	\$ 182,892,469	\$ 2,174,864	\$ 579,865,315	5.2971	21.7097
2014	845,128,356	15,304,530	860,432,886	255,862,099	2,407,807	602,162,980	5.2971	21.7097
2015	1,063,287,591	15,600,448	1,078,888,039	377,286,535	2,674,099	698,927,405	4.9000	21.3417
2016	1,210,203,009	14,982,614	1,225,185,623	444,372,802	2,746,997	778,065,824	4.5500	20.5953
2017	1,444,251,699	14,698,252	1,458,949,951	576,225,941	2,612,688	880,111,322	4.4000	20.3638
2018	1,720,875,185	15,249,716	1,736,124,901	702,001,113	2,536,046	1,031,587,742	3.9995	19.5819
2019	1,862,399,237	17,183,700	1,879,582,937	662,500,517	2,344,091	1,214,738,329	3.7199	19.0560
2020	1,933,106,853	18,943,845	1,952,050,698	615,865,109	2,309,588	1,333,876,001	3.6245	19.4016
2021	1,888,062,852	22,451,974	1,910,514,826	529,855,176	2,437,950	1,378,221,700	3.6245	19.3533
2022	1,798,336,685	20,316,884	1,818,653,569	441,971,417	2,197,760	1,374,484,392	3.5900	19.2673

\*Year refers to the fiscal year which is funded by taxes levied upon the listed assessments. Each fiscal year's tax roll is as of January 1 of the previous year.

SOURCE: Miami-Dade County Property Appraiser's Office

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## SCHEDULE 7

### PROPERTY TAX RATES (per \$1,000)

### DIRECT AND OVERLAPPING GOVERNMENTS

### LAST TEN FISCAL YEARS

Year*	Direct Rate	Overlapping Rates					Total
	Bay Harbor Islands Operating	Miami- Dade County	Miami- Dade County Schools	Miami-Dade County Districts**	State Special Districts		
					Florida	South Florida	
					Inland Navigation	Water Management	
2013	5.2971	4.9885	7.9980	2.9627	0.0345	0.4289	21.7097
2014	5.2500	5.1255	7.9770	2.9623	0.0345	0.4110	21.7603
2015	4.9000	5.1169	7.9740	2.9321	0.0345	0.3842	21.3417
2016	4.5500	5.1169	7.6120	2.9293	0.0320	0.3551	20.5953
2017	4.4000	5.0669	7.3220	3.2122	0.0320	0.3307	20.3638
2018	3.9995	5.0669	6.9940	3.1795	0.0320	0.3100	19.5819
2019	3.7199	5.1313	6.7330	3.1462	0.0320	0.2936	19.0560
2020	3.6245	5.1449	7.1480	3.1727	0.0320	0.2795	19.4016
2021	3.6245	5.1449	7.1290	3.1554	0.0320	0.2675	19.3533
2022	3.5900	5.1744	7.0090	3.2047	0.0320	0.2572	19.2673

SOURCE: Miami-Dade County Property Appraiser's Office

\*Year refers to the fiscal year which is funded by taxes levied upon properties as assessed effective January 1 of the previous year.

\*\* This represents Fire and Rescue, Library and the Children's Trust.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## SCHEDULE 8 PRINCIPAL PROPERTY TAXPAYERS REAL ESTATE AD VALOREM TAXES CURRENT AND NINE YEARS AGO

Year: 2022

Parcel Owner	Taxable Valuation	Percentage of Total Taxable Valuation*
PPG Bay Harbor Owner LLC	\$ 22,725,871	1.65%
1177 Bay Harbor Islands LLC	16,675,943	1.21%
B H Investment LLC	15,273,140	1.11%
Bay Harbor Hotel LLC	13,659,000	0.99%
Bay Harbor Island I LLC	12,384,500	0.90%
Congress Driftwood LLC	11,475,000	0.83%
Florida Power & Light Company	10,307,358	0.75%
Casa J LLC	8,934,869	0.65%
Urban Beach E Bay III LLC	8,270,000	0.60%
Mark Tabacinic	7,099,247	0.52%
	<u>\$ 126,804,928</u>	<u>9.23%</u>

\*Based on Appraisers 2022 Municipal Tax Roll.

Year: 2013

Parcel Owner	Taxable Valuation	Percentage of Total Taxable Valuation**
The Palms of Bay Harbor LLC	\$ 9,984,056	1.72%
Bay Harbour Dev GRP LLC	8,126,986	1.35%
Florida Power & Light Company	5,323,269	0.76%
1170 LLC	5,312,664	0.68%
Kane Concourse Invest GRP LLC	4,999,110	0.57%
The 1177 Kane Concourse	4,483,250	0.43%
Spencer Merinoff	4,114,307	0.34%
1108 Concourse LC	3,725,419	0.28%
Ocean Cadillac Inc	3,593,262	0.26%
Isle of Wight Limited	3,491,712	0.25%
	<u>\$ 53,154,035</u>	<u>6.11%</u>

\*\*Based on Appraiser's 2013 certification of taxable value.

SOURCE: Miami-Dade County Property Appraiser's Office



# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## SCHEDULE 9

### PROPERTY TAX LEVIES AND COLLECTIONS

#### LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Taxes Levied	Collected within the Fiscal Year of the Levy		Collections of Previous Years' Levies	Total Collections	Total Collections as Percentage of Taxes Levied
		Amount	Percentage of Levy			
2013	\$ 3,071,604	\$ 2,805,412	91.3%	\$ 195,590	\$ 3,001,002	97.7%
2014	3,161,356	2,954,498	93.5%	99,894	3,054,392	96.6%
2015	3,424,744	3,122,365	91.2%	210,241	3,332,606	97.3%
2016	3,540,199	3,356,009	94.8%	73,744	3,429,753	96.9%
2017	3,872,490	3,538,702	91.4%	222,152	3,760,854	97.1%
2018	4,125,835	3,730,282	90.4%	233,504	3,963,786	96.1%
2019	4,518,705	4,136,569	91.5%	277,559	4,414,128	97.7%
2020	4,834,307	4,279,098	88.5%	369,712	4,648,810	96.2%
2021	4,995,365	4,419,701	88.5%	341,274	4,760,975	95.3%
2022	4,636,414	4,653,419	100.4%	102,114	4,755,533	102.6%

Source: Miami-Dade County Property Appraiser's Office, except for Taxes Levied from Town Finance Department.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## SCHEDULE 10 CAUSEWAY TOLL REVENUE LAST TEN FISCAL YEARS

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total traffic	<u>6,611,424</u>	<u>6,729,408</u>	<u>7,488,382</u>	<u>7,917,781</u>	<u>7,779,309</u>	<u>7,992,743</u>	<u>7,939,642</u>	<u>6,647,870</u>	<u>7,419,637</u>	<u>8,141,885</u>
Toll revenues:										
Cash tolls	\$ 4,110,787	\$ 4,400,704	\$ 5,146,478	\$ 5,947,747	\$ 8,212,150	\$ 9,082,874	\$ 9,128,459	\$ 7,557,782	\$ 8,733,262	\$ 9,441,893
Commuter/annual pass	<u>1,471,417</u>	<u>1,431,496</u>	<u>492,563</u>	<u>395,428</u>	<u>415,345</u>	<u>466,192</u>	<u>494,602</u>	<u>504,200</u>	<u>448,555</u>	<u>486,547</u>
Total toll revenue	<u>\$ 5,582,204</u>	<u>\$ 5,832,200</u>	<u>\$ 5,639,041</u>	<u>\$ 6,343,175</u>	<u>\$ 8,627,495</u>	<u>\$ 9,549,066</u>	<u>\$ 9,623,061</u>	<u>\$ 8,061,982</u>	<u>\$ 9,181,817</u>	<u>\$ 9,928,440</u>
Average yield per vehicle	\$ 0.844	\$ 0.867	\$ 0.753	\$ 0.801	\$ 1.109	\$ 1.195	\$ 1.212	\$ 1.213	\$ 1.238	\$ 1.219
Toll rates:										
Cash toll (Class 1)	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50
Annual pass	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## SCHEDULE 11

### RATIOS OF OUTSTANDING DEBT BY TYPE

#### LAST TEN FISCAL YEARS

Fiscal Year	Business-Type Activities			Governmental Activities				Total Primary Government	Percentage of Actual Property Value (1)	Per Capita (2)
	Promissory Notes	State Revolving Loan	Lease Obligations	Revenue Bonds Series 2003B	Refunding Note Series 2012	Revenue Bonds Series 2016	Lease Obligations			
2013	\$ 18,593,000.00	\$ 530,589.00	\$ -	\$ 3,265,000	\$ 4,709,000	\$ -	\$ -	\$27,097,589	4.67%	\$ 4,655
2014	17,643,000	471,128	--	3,055,000	4,641,000	--	--	25,810,128	4.29%	4,409
2015	16,604,000	409,825	--	3,055,000	4,350,000	--	--	24,418,825	3.49%	4,065
2016	15,532,000	346,623	--	--	4,055,000	3,218,081	--	23,151,704	2.98%	3,836
2017	14,431,000	281,462	--	--	3,751,000	3,210,253	--	21,673,715	2.46%	3,627
2018	13,302,000	214,284	--	--	3,444,000	3,197,425	--	20,157,709	1.95%	3,323
2019	12,078,000	145,024	--	--	3,130,000	3,184,597	--	18,537,621	1.53%	3,108
2020	10,826,000	73,618	--	--	2,809,000	3,166,769	--	16,875,387	1.27%	2,913
2021	9,550,000	--	--	--	2,481,000	3,148,940	--	15,179,940	1.10%	2,563
2022	8,240,000	--	70,823	--	2,147,000	3,131,113	322,360	13,911,296	1.01%	2,433

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value of Taxable Property for the property value data.

(2) See the Schedule of Demographic and Economic Statistics. Data on personal income for the Town distinct from larger statistical units is not available so a meaningful comparison of total debt to personal income cannot be computed.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## SCHEDULE 12

### DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

SEPTEMBER 30, 2022

Jurisdiction	Debt Outstanding	Estimated Percentage Applicable to Town of Bay Harbor Islands (1)	Estimated Share of Direct & Overlapping Debt
Direct:			
Bay Harbor Islands (4)	\$ 5,600,473	100.00%	\$ 5,600,473
Overlapping:			
Miami-Dade Board of County Commissioners (2)	19,533,008	0.21%	41,764
Miami-Dade County School Board (3)	836,862,000	0.21%	1,789,316
Total overlapping	856,395,008		1,831,080
Total direct and overlapping	\$ 861,995,481		\$ 7,431,553

#### Notes:

(1) The percentage of overlapping debt payable is estimated by dividing the Town's population of 5,717 by the County's population of 2,673,837 obtained from U.S. Census Bureau.

(2) Source: Miami-Dade County, Florida, Finance Department; ACFR 2021

(3) Information obtained from Miami-Dade County School Board ACFR for fiscal year ended June 30, 2022.

(4) The Town implemented GASB No. 87 for the fiscal year ended September 30, 2022.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## SCHEDULE 13 LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assessed values (1):										
Taxable value of real property	\$ 566,567,369	\$ 589,266,257	\$ 686,001,056	\$ 765,830,207	\$ 868,025,758	\$ 1,018,874,072	\$ 1,199,898,720	\$ 1,317,241,744	\$ 1,358,207,676	\$ 1,356,365,268
Add: Exempt real property	182,892,469	255,862,099	377,286,535	444,372,802	576,225,941	702,001,113	662,500,517	615,865,109	529,855,176	441,971,417
Total assessed value of real property	<u>\$ 749,459,838</u>	<u>\$ 845,128,356</u>	<u>\$ 1,063,287,591</u>	<u>\$ 1,210,203,009</u>	<u>\$ 1,444,251,699</u>	<u>\$ 1,720,875,185</u>	<u>\$ 1,862,399,237</u>	<u>\$ 1,933,106,853</u>	<u>\$ 1,888,062,852</u>	<u>\$ 1,798,336,685</u>
Legal debt margin:										
Debt limitation (25% of assessed real property)	\$ 187,364,960	\$ 211,282,089	\$ 265,821,898	\$ 302,550,752	\$ 361,062,925	\$ 430,218,796	\$ 465,599,809	\$ 483,276,713	\$ 472,015,713	\$ 449,584,171
Total bonded debt (2)	<u>7,974,000</u>	<u>7,696,000</u>	<u>7,551,730</u>	<u>7,273,081</u>	<u>6,961,253</u>	<u>6,641,425</u>	<u>6,314,597</u>	<u>5,975,769</u>	<u>2,481,000</u>	<u>5,600,473</u>
Legal debt margin	<u>\$ 179,390,960</u>	<u>\$ 203,586,089</u>	<u>\$ 258,270,168</u>	<u>\$ 295,277,671</u>	<u>\$ 354,101,672</u>	<u>\$ 423,577,371</u>	<u>\$ 459,285,212</u>	<u>\$ 477,300,944</u>	<u>\$ 469,534,713</u>	<u>\$ 443,983,698</u>
Total net debt applicable to the limit as a percentage of debt limit	4.26%	3.64%	2.84%	2.40%	1.93%	1.54%	1.36%	1.24%	0.53%	1.25%

Note: The Town may incur bonded debt up to 25% of the assessed valuation of real estate within its boundaries per section 45 of the Town Charter.

(1) See the Schedule of Assessed Value of Taxable Property for the property value data.

(2) The Town implemented GASB No. 87 for the fiscal year ended September 30, 2022.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## SCHEDULE 14

### PLEDGED-REVENUE COVERAGE

#### LAST TEN FISCAL YEARS

Fiscal Year	Broad Causeway Revenue Bonds and Notes				
	Gross Revenues	Operating Expenses	Net Available Revenue	Debt Service Amount	Coverage
2013	\$ 5,625,617	\$ 2,909,660	\$ 2,715,957	\$ 1,125,563	2.41
2014	5,941,008	3,885,577	2,055,431	1,121,329	1.83
2015	5,757,614	2,159,010	3,598,604	1,120,823	3.21
2016	6,484,815	2,509,514	3,975,301	1,120,836	3.55
2017	8,729,606	2,345,852	6,383,754	1,121,343	5.69
2018	9,656,230	2,598,543	7,057,687	1,120,319	6.30
2019	9,840,577	2,565,695	7,274,882	1,120,788	6.49
2020	8,253,032	2,174,804	6,078,228	1,120,701	5.42
2021	9,299,919	2,131,692	7,168,227	1,121,058	6.39
2022	9,177,878	2,802,465	6,375,413	1,146,054 (1)	5.56

Fiscal Year	Sewer Fund State Revolving Loan				
	Gross Revenues	Operating Expenses	Net Available Revenue	Debt Service Amount	Coverage
2013	\$ 1,972,067	\$ 1,179,264	\$ 792,803	\$ 75,320	10.53
2014	1,943,998	1,071,444	872,554	75,320	11.58
2015	2,051,031	1,096,990	954,041	75,320	12.67
2016	2,058,738	1,270,576	788,162	75,320	10.46
2017	2,266,313	1,389,039	877,274	75,320	11.65
2018	2,382,977	1,311,744	1,071,233	75,320	14.22
2019	2,384,428	1,476,108	908,320	75,320	12.06
2020	2,323,675	1,405,847	917,828	75,320	12.19
2021	2,461,280	1,557,462	903,818	75,320	12.00
2022	N/A	N/A	N/A	N/A (2)	N/A

Fiscal Year	Revenue Bonds and Refunding Note					Coverage
	Sales Tax	Franchise Fees	Utility Tax	Total Revenues	Debt Service Amount	
2013	\$ 388,606	\$ 350,569	\$ 422,974	\$ 1,162,149	\$ 540,971	2.15
2014	413,855	373,096	461,351	1,248,302	537,960	2.32
2015	434,991	363,587	452,355	1,250,933	541,611	2.31
2016	441,069	350,674	455,606	1,247,349	535,582	2.33
2017	421,028	358,731	465,565	1,245,324	437,094	2.85
2018	444,758	371,041	496,433	1,312,232	501,958	2.61
2019	463,401	387,317	512,875	1,363,593	502,285	2.71
2020	401,379	380,091	527,415	1,308,885	507,407	2.58
2021	504,873	401,000	547,547	1,453,420	507,334	2.86
2022	705,261	466,503	572,296	1,744,060	583,984 (1)	2.99

(2) The Town implemented GASB No. 87 for the fiscal year ended September 30, 2022.

(2) Debt service on the note and all remaining interest was paid as of September 30, 2021.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## SCHEDULE 15

### DEMOGRAPHIC AND ECONOMIC STATISTICS

#### LAST TEN FISCAL YEARS

Year	Bay Harbor Islands Population *	Miami- Dade County **				
		Personal Income	Per Capita Personal Income	Unemployment Rate	Civilian Labor Force	Median Age
2013	5,854	\$ 104,373,301	\$ 40,680	8.9%	1,289,617	39
2014	6,007	111,528,866	43,123	7.2%	1,282,854	39
2015	6,036	116,553,169	43,917	6.2%	1,321,033	40
2016	5,975	123,276,064	45,440	5.8%	1,334,404	40
2017	6,006	131,244,442	47,813	5.0%	1,375,376	40
2018	6,006	138,138,976	50,022	3.6%	1,363,766	40
2019	5,964	149,166,155	54,902	2.9%	1,463,774	40
2020	5,793	N/A	N/A	8.0%	1,396,663	40
2021	5,922	N/A	N/A	N/A	N/A	N/A
2022	5,717	N/A	N/A	2.3%	1,371,121	N/A

Note: Except for population, demographic statistics on the county level were the most specific available.

\* Source From 2022: U.S. Census Bureau

\*\* Source: Miami-Dade County Finance Department and  
U.S. Department of Commerce, Economic and Statistics Administration,  
Bureau of Economic Analysis/Regional Economic Information System,  
Florida Agency for Workforce Innovation, Labor Market Statistics,  
Miami-Dade County Department of Regulatory and Economic Resources, Research Section  
University of Florida Bureau of Economic and Business Research

N/A Information unavailable as of the date of this report.

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## SCHEDULE 16

### FULL TIME TOWN EMPLOYEES BY FUNCTION

### LAST TEN FISCAL YEARS

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental activities:										
General government	16	18	18	18	18	21	21	22	24	24
Public safety	35	36	26	28	28	28	27	25	26	26
Transportation	8	7	7	5	5	6	7	5	5	5
Culture and recreation		6	4	4	6	5	8	8	8	8
Total governmental activities	<u>59</u>	<u>67</u>	<u>55</u>	<u>55</u>	<u>57</u>	<u>60</u>	<u>63</u>	<u>60</u>	<u>63</u>	<u>63</u>
Business-type activities:										
Causeway	32	25	5	6	6	6	6	6	6	6
Sewer	1	1	1	1	1	1	1	1	1	1
Water	2	2	2	2	2	2	2	3	3	3
Parking	1	1	1	1	1	1	1	1	1	1
Total business-type activities	<u>36</u>	<u>29</u>	<u>9</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>11</u>	<u>11</u>	<u>11</u>
Total primary government	<u>95</u>	<u>96</u>	<u>64</u>	<u>65</u>	<u>67</u>	<u>70</u>	<u>73</u>	<u>71</u>	<u>74</u>	<u>74</u>

Source: Town Finance Department



# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## SCHEDULE 17

### OPERATING INDICATORS BY FUNCTION

#### LAST TEN FISCAL YEARS

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
General government										
Elections Held	1	1	2	2	1	1	1	1	1	1
Newsletters Issued	12	12	12	12	12	12	12	10	12	12
Town Council Meetings	11	10	10	11	11	10	10	8	8	15
Planning & Zoning Board Meetings	17	13	17	19	12	13	15	9	12	12
Public safety										
Case numbers issued	584	626	831	843	739	702	702	804	1,005	995
Arrests	121	84	73	83	72	70	51	49	36	37
Calls for service	14,366	17,900	16,813	17,223	21,985	19,334	20,021	23,211	32,102	30,012
Business-type activities:										
Causeway										
Traffic Count (vehicles)	6,611,424	6,729,408	7,488,382	7,917,781	7,779,309	7,992,743	7,939,642	6,647,870	7,419,637	8,141,885
Sewer										
Average Monthly Sewage Volume (thousands of gallons)	21,397	20,242	19,676	19,836	20,008	19,200	22,684	23,269	25,666	21,229
Water										
Average Monthly Gallons Purchased (thousands)	25,763	26,534	26,576	24,221	26,600	28,127	26,614	26,419	34,511	28,489
Average Monthly Gallons Sold (thousands)	23,617	23,534	23,618	21,884	22,474	22,884	22,511	22,333	21,904	22,301
Parking										
Parking Citations	2,431	1,465	2,592	2,626	2,307	2,573	1,838	1,058	1,470	2,057

Source: Town Finance Department

# TOWN OF BAY HARBOR ISLANDS, FLORIDA

## SCHEDULE 18

### CAPITAL ASSET STATISTICS BY FUNCTION

#### LAST TEN FISCAL YEARS

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Public safety										
Patrol Cars/SUV	18	18	18	25	26	26	26	28	28	28
Police Boats	1	1	1	1	1	1	2	1	1	1
Transportation										
Streets and roads (feet)	47,396	47,396	47,396	47,396	47,396	47,396	47,396	47,396	47,396	47,396
Culture and recreation										
Parks	2	3	3	3	3	3	3	3	3	3
Business-type activities:										
Causeway										
Bascule Bridges	1	1	1	1	1	1	1	1	1	1
Fixed Span Bridges	3	3	3	3	3	3	3	3	3	3
Sewer										
Pump Stations	1	1	1	1	1	1	1	1	1	1
Lift Stations	5	5	5	5	5	5	5	5	5	5
Sanitary Sewers (feet)	43,296	43,296	43,296	43,296	43,296	43,296	43,296	43,296	43,296	43,296
Water										
Water Mains (feet)	44,725	44,725	44,725	44,725	44,725	44,725	44,725	44,725	44,725	44,725
Stormwater										
Valley gutters (feet)	86,592	86,592	86,592	86,592	86,592	86,592	86,592	86,592	86,592	86,592
Outfalls	53	53	53	53	53	53	53	53	53	53

Source: Town Finance Department

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Mayor, Town Council and Town Manager  
**Town of Bay Harbor Islands, Florida**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Bay Harbor Islands, Florida (the Town), as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated June 27, 2023.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Marcum LLP*

Miami, FL  
June 27, 2023

**MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE  
AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Honorable Mayor, Town Council and Town Manager  
**Town of Bay Harbor Islands, Florida**

***Report on the Financial Statements***

We have audited the financial statements of the Town of Bay Harbor Islands, Florida (the Town), Florida, as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 27, 2023.

***Auditors' Responsibility***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

***Other Reporting Requirements***

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 27, 2023, should be considered in conjunction with this management letter.

***Prior Audit Findings***

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial audit report.

***Official Title and Legal Authority***

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. As more fully described in Note 1, the Town of Bay Harbor Islands was incorporated by the Laws of Florida Chapter 2889. There are no component units related to the Town.

### ***Financial Condition and Management***

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we to apply appropriate procedures and communicate the results of our determination as to whether or not the Town has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Town did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Town. It is management's responsibility to monitor the Town's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. This assessment was done as of fiscal year end.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### ***Additional Matters***

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

### ***Purpose of this Letter***

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal, State and other granting agencies, the Honorable Mayor, Town Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Marcum LLP*

Miami, FL  
June 27, 2023

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT TO  
SECTION 218.415 FLORIDA STATUTES**

To the Honorable Mayor, Town Council and Town Manager  
**Town of Bay Harbor Islands, Florida**

We have examined the Town of Bay Harbor Islands, Florida's (the Town) compliance with Section 218.415 Florida Statutes, Local Government Investment Policies for the fiscal year ended September 30, 2022. Management of the Town is responsible for the Town's compliance with the specified requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Town complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the Town's compliance with the specified requirements.

In our opinion, the Town complied, in all material respects, with Section 218.415 Florida Statutes for the fiscal year ended September 30, 2022.

This report is intended solely to describe our testing of compliance with Section 218.415, Florida Statutes, and it is not suitable for any other purpose.

*Marcum LLP*

Miami, FL  
June 27, 2023



## MAYOR JOSEPH J. GARDNER GOVERNMENT CENTER

9665 Bay Harbor Terrace, Bay Harbor Islands, FL 33154 | Ph: (305) 866-6241  
| Fax: (305) 866-4863 | www.bayharborislands-fl.gov

### PARK IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Maria Lasday, who being duly sworn, deposes and says on oath that:

#### Town Council

Elizabeth Tricoche  
Mayor

Joshua D. Fuller Vice  
Mayor

Stephanie Bruder  
Council Member

Molly Diallo  
Council Member

Teri D'Amico  
Council Member

Isaac Salver  
Council member

Robert Yaffe  
Council Member

#### Town Officials

Maria Lasday  
Town Manager

Yvonne P. Hamilton  
Town Clerk

Joseph S. Geller  
Town Attorney

1. I am the Town Manager of Town of Bay Harbor Islands which is a local governmental entity of the State of Florida.
2. The governing body of Town of Bay Harbor Islands adopted (Ordinance No. 786 or Resolution No. 1149) implementing an impact fee or authorized Town of Bay Harbor Islands to receive and expend proceeds of an impact fee implemented by Miami-Dade County; and
3. Town of Bay Harbor Islands has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

*Maria Lasday*

Maria Lasday, Town Manager  
Town of Bay Harbor Islands

STATE OF FLORIDA  
COUNTY OF MIAMI DADE

SWORN TO AND SUBSCRIBED before me this 20th day of June, 2023.

NOTARY PUBLIC

Print Name Yvonne Patricia Hamilton

Personally known ☒ or produced identification \_\_\_\_\_

Type of identification produced: \_\_\_\_\_

My Commission Expires:

